

**12 OCTOBER 1994**



**Supply**

**PURCHASE REQUEST (PR) OPERATIONS**

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This instruction implements AFMCPD 23-1, *Sustainment Materiel Acquisition Policy*. It prescribes procedures for initiation and processing of PRs for central procurement of sustainment requirements--the acquisition of consolidated Air Force-wide requirements for logistics materiel and services. It pertains to PRs for purchases of consumable and reparable spares; equipment items; repair services and data for these items; and other centrally acquired services. This includes acquisitions of goods and services for local use in support of department-wide requirements (e.g., repair parts for depot maintenance). It does not apply to local purchase, which is the authorized acquisition of material, supplies, or services by an installation solely for its own use (see AFI 36-2232, *Maintenance Training*). With the exceptions detailed below, this instruction will be used by all AFMC activities with central acquisition responsibilities. AFMC organizations submitting requirements to ASC/PKWR will use an AF Form 9, *Request for Purchase* (refer to AFI 64-109, *Local Purchase Program*, for instructions). AFMC organizations submitting requirements to ASC/PKWT for Contractor Engineering and Technical Services (CETS) will use an AF Form 255a, *Technical Services Requirements* (refer to AFR 66-18, *Engineering and Technical Services Management and Control*, for instructions). Each AFMC center which processes MIPRs will issue local instructions as necessary to implement the DOD Federal Acquisition Regulation Supplement (DFARS) Subpart 208.70, Coordinated Acquisition; FAR Subpart 17.5, Interagency Acquisitions under the Economy Act (as supplemented by the DFARS and the Air Force FAR Supplement (AFFARS)); and DFARS 253.208, providing instructions for the involved forms. PRs initiated by product centers, test centers, or labs and forwarded to air logistics commands ALCs for action must conform to the format and content specified in this instruction. PR initiators are responsible for the completeness of the PR unless otherwise agreed in advance by the accepting ALC. It does not apply to the Air National Guard or US Air Force Reserve units and members.

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## PART 1

### INTRODUCTION

#### Chapter 1

#### GENERAL OVERVIEW

**1.1. Purpose.** Part One of this instruction provides a general overview of the preparation and processing of sustainment PRs for centrally procured items and services. This includes equipment, supplies, materiel, repair/maintenance, and engineering services. This part also provides general policy guidance for the PR process. Detailed guidance is contained in Parts Two through Five.

**1.2. Policies.**

1.2.1. All AFMC activities with central procurement responsibilities will process sustainment PRs in accordance with this instruction. Each center will designate a central focal point for this instruction and its local supplements.

1.2.2. Unless otherwise stated, this instruction takes precedence over all other AFMC and lower level directives concerning the processing of PRs. (However, this instruction does not take precedence over the AFMCFARS.) The content of this instruction has been closely screened to ensure compliance with higher level directives. Apparent conflicts with other directives should be identified to HQ AFMC/LGI for resolution.

1.2.3. Several directorates and functions share responsibility for processing PRs. The requirements activity and the Directorate of Contracting are heavily involved with PR processing. However, the Competition Advocate, Financial Management, Technology and Industrial Support, and Distribution activities also play a significant role. Each activity will establish an effective means to receive and control PRs and associated documents as they are processed within the activity.

1.2.4. The PR initiator owns the requirement, and therefore is responsible for ensuring the effective processing of the PR throughout the process. When problems arise in areas outside the initiator's control, the initiator must request prompt management attention.

1.2.5. To allow effective response to customer needs and flexibility in the face of mission or environment changes, prompt PR processing is required. Delays will not only decrease our responsiveness and flexibility, but will also jeopardize funding support by allowing some funds to expire when not obligated. In either case, mission support suffers. Therefore, every effort must be made to minimize administrative lead time (ALT).

1.2.6. The Department of Defense (DoD) Coordinated Acquisition Program provides for single-service procurement of common-use items for all DoD users. Policy and procedures are defined in the DoD DFARS. See DFARS Subpart 208.7, Coordinated Acquisitions for general policy information and DFARS 253.208 for instructions on preparation and use of DD Form 448, Military Interdepartmental Purchase Request (MIPR), and DD Form 448-2, *Acceptance of MIPR*. These requirements will be worked according to the priority assigned by the originator. They will not be set aside while lower-priority in-house requirements are worked.

1.2.7. Terms and acronyms used in this instruction are defined in the text when first used.

**1.3. Pre-approval of Waivers to this Instruction.** This instruction prescribes a baseline process with certain mandatory actions which must be completed in order to satisfy higher level regulatory or public law requirements. For clarity, every required action has a responsible functional area indicated. However, HQ AFMC recognizes the need for flexibility at the local level. Therefore, local management may assign responsibilities defined in this instruction to different functional areas provided that:

1.3.1. The activity required (e.g., review of the package) is still accomplished--only the "doer" is changed. (Local initiatives which change the activity required will require HQ AFMC review, especially when the activity is driven by higher level policy.)

1.3.2. The change to the baseline responsibilities is formally documented by local supplement to this instruction, with distribution to include HQ AFMC/LGI. (Local policy letters, operating instructions, etc. are not sufficient for this purpose.)

#### **1.4. Overview of the PR Process.**

1.4.1. The PR process defined in this instruction consists of those actions which change a known requirement into a "procurable package." A procurable package contains all the information which the buyer needs in order to clearly communicate what we need to all potential sources. It also contains the documentation to tell the buyer which of the numerous restrictions and options available under the contracting regulations apply. In this instruction, the term "purchase request" or "PR" refers to a package consisting of the AFMC Form 36, *Purchase Request*, or the AFMC Format 306 (J023 mechanized PR) with the appropriate attachments. The specific form number or a phrase such as "face of the PR" refers to the PR form itself.

1.4.2. Ideally, the PR initiator will know the requirement well in advance of the actual "need date" to allow for normal processing time. Such requirements can be worked through the PR process with "routine" priority. Those which are needed sooner must still go through much the same process, but are accorded higher priority levels and are worked ahead of the routines.

1.4.3. Prepurchase Request Process. The following paragraphs outline the typical PR process. The required actions are spelled out in greater detail in later chapters. Paragraphs correspond to the flow-chart at Figures 1.1 through 1.4.

1.4.3.1. Identify Potential Requirement: This may be in the form of a requirements system projected buy or data level notice, or other such initial notice.

1.4.3.2. Screen Engineering Data: The responsible Screening Technician (see para 11.2) will determine if suitable engineering data is available for competitive purchase. This is accomplished for spares and equipment buys through screening by the cognizant weapon system engineer community. Additionally, the engineering and technical specialists will define and document much of the basic technical requirement for item buys. New engineering data (drawings) and/or technical orders may be needed if an item is being modified such that form, fit, and function is affected; or if existing technical data is inadequate, illegible, or otherwise needs replacement.

1.4.3.3. Acquisition Planning. Interfacing with a number of other lateral organizations and higher headquarters (depending on the scope and value of the buy), the PR initiator initiates acquisition planning.

1.4.3.4. Buy Decision. Interfacing with the financial management processes, the PR initiator comes to a final buy decision approved by an appropriate level of management.

1.4.3.5. PR Generation and Package Assembly. The PR initiator generates the PR. Per local procedures, additional attachments are initiated and attached to the PR. These may include the Justification and Approval (J&A) for other than full and open competition, the Technical Requirements Package (TRP), Statement of Work, and so on. The PR initiator may generate a PR in one of two ways. For spares, a mechanized PR may be generated via the J023 Automated Purchase system. For other buys (as well as spares, if so desired), a manual PR (AFMC Form 36, formerly AFLC/AFSC Form 36) may be prepared.

1.4.3.6. Log Into Tracking System. The PR initiator then passes the PR and its attachments to the PR/MIPR Control function. ALC PR/MIPR Controls log the manual PRs into the Acquisition and Due-in System (J041) system (mechanized PRs are automatically overlaid).

1.4.3.7. Coordination. PR/MIPR Control distributes the package for coordination with other internal and external activities. In some cases, this in turn activates other processes. While there are many variations possible, a typical coordination process can include the following actions:

Figure 1.1. Pre-Purchase Request Process

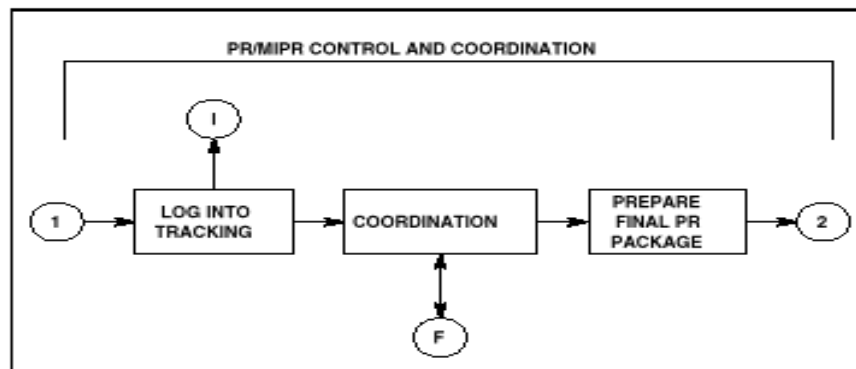


Figure 1.2. PR Processing.

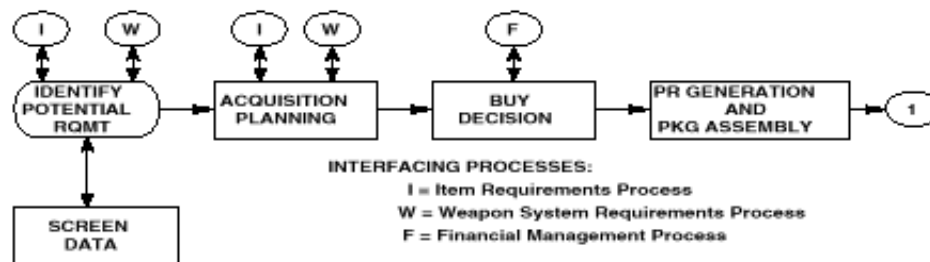


Figure 1.3. Preaward Processing.

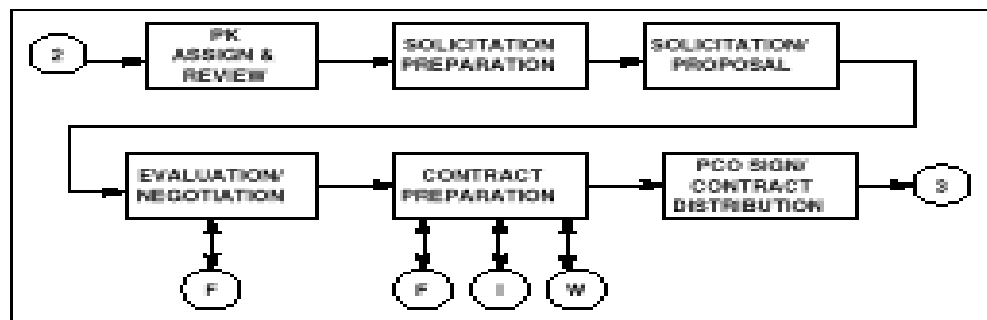
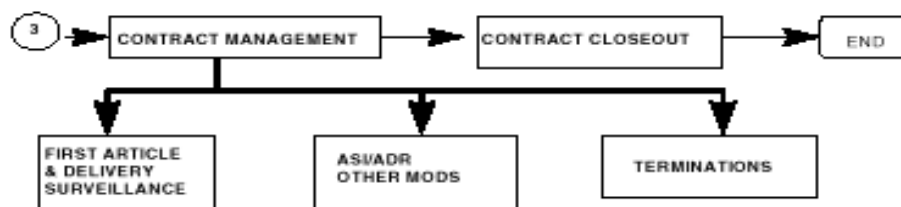


Figure 1.4. Postaward Processing.



1.4.3.7.1. Addition of packaging (if missing from the TRP) and transportation data to the PR.

1.4.3.7.2. Initiation of bidset preparation by the data repository.

1.4.3.7.3. Addition of contract quality requirements (if missing from the TRP).

1.4.3.7.4. Preparation of the Commerce Business Daily (CBD) synopsis.

1.4.3.7.5. Initiation and/or certification/commitment of funds.

1.4.3.8. Final PR Package. At the completion of coordination, with the funds initiated or certified/committed, the PR is passed to the contracting function.

1.4.3.9. Preaward Processing Product Directorate Contracting Function Assign & Review: Within the buying section/branch, the PR is assigned to a buyer, information is sent to the tracking data system, and the PR is reviewed.

1.4.3.10. Solicitation Preparation. Within the buying section/branch, presolicitation determinations and the solicitation document are prepared.

1.4.3.11. Solicitation/Proposal The buyer executes the solicitation process.

1.4.3.12. Evaluation/Negotiation After receipt of proposals and abstracting of competitive proposals, the buyer will evaluate and/or negotiate as appropriate. Prenegotiation review and approval is obtained. Buying personnel review and determine contractor responsibility based on centrally managed data systems. A preaward survey is arranged if necessary.

1.4.3.13. Contract Preparation. Buyers request commitment of funds, request the contractual document, prepare or request the price negotiation memorandum, and prepare the contract file and various required forms. The forms include document tracking, DoD contract reporting, and approval instruments, as required.

1.4.3.14. Procurement Contracting Officer Sign/Contract Distribution. After signature in the buying section, contract distribution, including any additional printing, entering in data system, mailing, distribution of reports, and postaward synopsis are done. Funds obligation is recorded by FM upon receipt of the contract.

1.4.3.15. Postaward Processing. Contract Management: This covers all actions conducted at the acquiring center after award including updates to data systems and postaward conferences on certain contracts (e.g., repair, Interim Contractor Support, Contractor Logistics Support). Formal contract administration may be retained by the acquiring center or may be delegated to an Administrative Contracting Officer (ACO) in a Defense Logistics Agency organization.

1.4.3.15.1. Proactive Actions. First Article and Delivery Surveillance: Postaward personnel review status and interface with contractors and ACOs to ensure delivery.

1.4.3.15.2. Reactive Actions. Amended shipping instructions (ASI)/accelerated delivery requests (ADR), terminations and other modifications: Contract management personnel or buyers, depending upon type of contract, initiate actions in response to requests from the PR initiator.

1.4.3.16. Contract Closeout. Records management personnel review contract files after final delivery to determine whether all funds were expended and prepare files for storage. Buying personnel may be required to take action to deobligate excess funds. Interface with financial management, requiring activity, and ACO personnel may be required. The assistance of the production management specialist may be required for closeout of repair and Interim Contractor Support contracts.



## Chapter 2

### TYPES OF PRS

**2.1. Manual PRs (AFMC Form 36).** PR initiators will use AFMC Form 36 (Figure 2.1) (or an automated facsimile) to prepare a "manual" PR. Product centers, test centers, and laboratories use the manual AFMC Form 36 for all buys. Logistics centers should use AFMC Form 36 only when the nature of the buy precludes use of a J023 Mechanized PR. Procedural instructions are in Part Two.

**2.2. Mechanized PRs (AFMC Format 306 (Automated)).**

2.2.1. The ALCs use the J023 Automated Purchase System to produce mechanized PRs (Figure 2.2). The system operates with three basic files which contain data necessary to process PRs and contracts. The master record file contains stock numbers, manufacturers (up to five per national stock number (NSN)), item descriptions, and packaging information. The master address file contains the facility codes, addresses, and administrative information on each manufacturer used in the system. Automated Delivery Order (ADO) data for NSNs which have ADO contracts is in the third file. These files are established and maintained as prescribed in AFMCM 70-101, *Automated Purchase System - J023 Users Manual*, Chapter 2.

2.2.2. Fully mechanized processing by J023 includes automated preparation of the PR and various contracting process documents. Fully mechanized processing is available for the following categories of buys:

2.2.2.1. PR value less than \$25,000 and Acquisition Method Suffix Code (AMSC) of "G" (fully competitive).

2.2.2.2. Any dollar value PR for prepriced catalog items.

2.2.2.3. Any dollar value PR for items with AMSC other than "G" (items not fully competitive).

2.2.2.4. Any dollar value PR for items on indefinite delivery contracts (contracts against which ADOs are placed).

2.2.2.5. Any dollar value PR for single or limited source items.

2.2.3. J023 excludes non-procurable items (as indicated by the Acquisition Advice Code), and items requiring special funds.

2.2.4. Eligible items which do not satisfy the criteria in 2.2.2.1-2.2.2.5 above may still be requested through and printed by the J023 system, but subsequent processing must follow manual PR procedures. In cases where competitive items exceed the \$25,000 threshold, J023 will print "PROCESS MANUALLY" in the PR header area. J023 may also be used as a "typewriter" to prepare partially complete PRs which are then completed using manual procedures as discussed in Parts Two, Three, and Five.

2.2.5. J023 accepts requests for PR and delivery order notice (DON) preparation from three sources. Depending on the data recorded for the item in the three basic J023 files, the program logic determines whether a PR or DON will be produced.

2.2.5.1. Inventory management specialists (IMS) use KEYPLUS (or other automated system) to input the request. The system will produce either a PR or a DON as appropriate.

2.2.5.2. Production management specialists (PMS) use KEYPLUS (or other automated system) to submit Automated Delivery Order Request. The system will produce a DON.

2.2.5.3. At the option of the center, a direct feed from D062 for Supply Management Group "T" items (items with a projected annual demand rate of less than \$2500) causes J023 to produce a Low Density Action Master listing which identifies candidate items for Low Density processing. This procedure allows for streamlined processing of low dollar PRs or DONs. Minimal requirements activity processing and no coordination is involved for these actions. Upon IMS confirmation of the buy requirement, the appropriate documents are processed from the system to PR/MIPR Control, and then directly to the buying activity.

2.2.6. J023 PRs are divided into two categories: initial and final. The PR produced at the request of the IMS is an initial PR. J023 produces the final PRs at the request of PR/MIPR Control upon receipt of the coordinated initial PR and input of all changes annotated on it.

2.2.7. Further detailed processing instructions are in Parts Two, Three, and Five.

**2.3. Electronic PRs.** In recent years great emphasis has been placed on automation of the acquisition process. A key feature is the development of the "paperless PR" concept. Initiatives within AFMC and across the entire Department of Defense are building toward that goal. When implemented, the information needed by the buyer will be developed one time and saved as digitized data for use as needed on the current and future buys. HQ AFMC/LGI will update this regulation as needed to capitalize on the new technology.

Figure 2.1. AFMC Form 36, Purchase Request.

PURCHASE REQUEST (Central Procurement and Research Development Test and Evaluation)										PAGE OF PAGES		
1. PROC ACTY		2. TYPE PR		3. PRIORITY		4. DATE		5. PURCHASE REQUEST NUMBER		6. AMENDMENT NO. <b>00</b>		
7a. CODE		IM		MGR DES		TYPE REQMT		MMAC		OTHER		
7b. PURPOSE												
8. Use AFMC Form 36b or 36c Continuation Sheet if more space is needed.												
ITEM NO. A		DESCRIPTION B				AMC/AMS C		QUANTITY D		UNIT E		
										EST UNIT PRICE F		
										EST TOTAL PRICE G		
DESCRIPTION												
										9. TOTAL		
10. NOTE: Use AFMC Form 36d Continuation Sheet if more space is needed.						11. NOTE: Use AFMC Form 36d Continuation Sheet if more space is needed.						
ITEM NO. A		REQ B		DELIVERY SCHEDULE C				SHIP TO A (1)		MARK FOR A (2)		
		B								MILSTRIP DATA B		
12. REMARKS (Use AFMC Form 36f Continuation Sheet if more space is needed)												
13. NOTE: Use AFMC Form 36e Continuation sheet if more space is needed.												
B. ACCOUNTING CLASSIFICATION												
STANDARD AIR FORCE ACCOUNTING CLASSIFICATION (SAFAC)												
LINE ITEM NO. A		APPROPRIAT (1)	LIMIT (2)	FC/Y (3)	OAC/A (4)	BPAC/RCCC (5)	MPC (6)	EEIC (7)	PROG ELEM (8)	ADSN (9)	CPN (10)	OTHER (11)
C. OTHER STATION FUNDS												
14. APPROVALS												
A. PREPARED BY (Name, Org, Phone, Date) <b>name is mandatory</b>						C.			E.			
B.						D.			F.			

[illegible]

[illegible]

**Figure 2.4. AFMC Format (Continued).**

[illegible]

## Chapter 3

### GENERAL INSTRUCTIONS

#### 3.1. PR Documentation Management.

3.1.1. PR Case Files. The PR case file consists of the most current complete copy of the PR package being built or which was sent to contracting for action. (The backup copy of a bulky attachment may be retained by the document's initiator rather than by PR/MIPR Control.) The PR/MIPR Control function will maintain a file system for all PR case files as specified in AFR 4-20, Vol II, *Disposition of Air Force Records - Records Disposition Schedule*. The PR/MIPR Control function will maintain separate file systems for internal PRs (created and contracted at own center); outgoing PRs (sent to other AFMC centers for contracting action); incoming PRs (created at another AFMC center); as well as incoming and outgoing MIPRs.

3.1.1.1. Internal PR case files will be destroyed no later than the end of the quarter in which the last contract is awarded (AFR 4-20, Vol II). The original PR and associated contracting documents will be retained in contracting files. Once the contract has been awarded, no need will exist for duplicate files in PR/MIPR Control.

3.1.1.2. Outgoing PR and MIPR case files will be destroyed two years after contract award (AFR 4-20, Vol II). The longer retention is necessary because the local contracting activity will not have case files on these PRs.

3.1.1.3. Incoming PR and MIPR case files will be destroyed no later than the end of the quarter in which the last contract is awarded (AFR 4-20, Vol II). The need for retention of these documents corresponds to that for internal PRs, as the contracting activity will maintain the master contract files.

3.1.1.4. AFR 4-20, Vol II contains other rules for other categories of PRs and MIPRs. Apply these rules where necessary.

3.1.2. Lost Documents. The purpose of maintaining a case file in PR/MIPR Control is to provide backup copies in the event a PR is lost. Whether the lost document is an initial "for coordination" PR or a final PR already dispatched to PK, the action is as follows. The PR/MIPR Control function will prepare a duplicate of the lost document(s) from the case file. The duplicate will be plainly marked "DUPLICATE PR", and will be identical (including all attachments) to the lost package. PR/MIPR Control will forward the duplicate to the appropriate office to continue the PR processing.

3.1.3. Internal Processing of PRs--PR/MIPR Control Functions. Due to the many offices which must play a role in preparing, coordinating, and executing a PR, each AFMC center shall determine the most effective and efficient organizational structure for the PR/MIPR Control function. At the Center Commander's option, this function may be established as a centralized function supporting all involved directorates; decentralized, with each "buying" directorate having their own PR/MIPR Control; or a mixture, with larger buying directorates having their own while smaller directorates share a centralized PR/MIPR Control. The approach selected will be published in the local supplement to this regulation. All PR traffic must flow through these functions to maintain proper control. Informal advance copies may be sent point-to-point when needed to speed up problem solving or otherwise help things along; however, the official traffic upon which a purchase is made and the audit trail estab-

lished must always follow official channels. Chapter 21 specifies in more detail the PR/MIPR Control function procedures.

3.1.4. External Processing of PRs. Some PRs will require contracting action outside of the requiring Center. Examples are purchases of preferred spares by the item management ALC at the request of and funded by the system management ALC, and purchases of ALC-managed items at Product Center request early in system acquisition. Due to the added communications difficulties and delays imposed by mailing documents back and forth, special care must be taken by all involved persons to minimize errors. The processing requirements for these PRs are detailed in Chapter 21, and must be rigorously followed by both the requiring and acquiring activities.

#### 3.1.5. Industrial Security Requirements.

3.1.5.1. Classified PRs. The PR initiator must know if prospective offerors or contractors will require access to classified information during the solicitation or performance phases of the contract. Individuals who add attachments or information to the PR package shall notify the initiator when such additions are classified or require access to classified information/materiel. Classification decisions are based on an Original Classification Authority (OCA) determination or classification guides prepared by the System Program Director (SPD) (or other single manager) of the affected system or program. In the absence of specific guidance, protect potentially classified information as if it is classified, and request assistance from the local Servicing Security Activity (SSA). The following guidance applies when processing classified PRs:

3.1.5.2. Classified information is on the PR or one of its attachments: The document itself will be stamped top and bottom with the classification level required, and each paragraph/block/section will be marked with the classification that applies to that information. The PR (AFMC Form 36), being the top document of the package, will be stamped top and bottom with the highest classification within the package. If the PR itself has no classified information, this will be noted in parenthesis beneath the classification stamp (e.g., "THIS PAGE IS UNCLASSIFIED"). AFR 205-1, *Information Security Program Regulation*, Chapter IV provides detailed instructions for marking documents. The documents which actually have the classified information on them will also be marked with the classification authority and declassification instructions prescribed by AFR 205-1, chapter IV. The appropriate cover sheet (i.e., SF Form 704, *Secret Cover Sheet* or SF Form 705, *Confidential Cover Sheet*) will be attached on top of the package. The markings must clearly indicate which information is classified. NEVER ENTER CLASSIFIED INFORMATION INTO NON-SECURE DATA SYSTEMS.

3.1.5.3. The PR package is classified as discussed in (1) above, and/or the work to be done, information or materiel provided to, or the item to be produced by the contractor requires security protection: The PR initiator will request a DD Form 254, *DOD Contract Security Classification Specification* (Figure 3.1) from the Servicing Security Activity. Detailed guidance is in DODR5220-22, *Industrial Security Regulation*, Section VII. The DD Form 254 becomes part of the PR's supporting technical data and allows the buyer to properly screen prospective offerors for required access. It tells the buyer and the contractor what information or items must be protected and which parts of the Industrial Security Manual (DODM5220-22, *Industrial Security Manual for Safeguarding Classified Information (ISM)*) apply.

3.1.6. Limited Distribution of Sensitive Unclassified Information. Certain unclassified information, such as advance acquisition programming data and requirements, is releasable only to authorized gov-



ernment personnel. While this information does not fall within the Information Security Program, personnel handling this information shall ensure that no unauthorized disclosures occur. A special category of this type of information, militarily sensitive but unclassified technology, is subject to foreign disclosure limitations. See paragraph 3.2 for more detail.

3.1.7. Special Handling Markings on PRs. The PR initiator shall mark the PR whenever special handling is required. The markings will be clearly legible in bold printing or an open-face stamp. The markings will not obliterate any information on the PR. Local policy will define the specific markings to be used. Since placing any manual markings on a J023 initial PR forces further processing of that PR to be off-line, such markings should be required only when the need for special handling outweighs the lost benefits of automated J023 processing. Local policy should also ensure that only markings which communicate pertinent information and trigger an appropriate response are used. (For example, "CRITICAL ITEM" on an urgent (priority B) PR adds no information of use to the buyer and triggers no buyer action not already triggered by the priority code.)

**3.2. Foreign Disclosure Limitations.** Certain information, such as technical data or drawings, may reveal critical details of militarily sensitive (although unclassified) technology. While this information must be provided to prospective offerors during the solicitation process, restrictions exist to prevent a compromise of US security interests. Only the minimum amount of data required to formulate a bid should be provided during solicitation. Care must be taken to ensure that no US commitment to furnish additional information or material is intended or implied until disclosure has been approved. The restrictions to prevent a compromise of US security interests may include prohibitions against (1) access by foreign national employees of domestic firms; (2) access by any non-US firm; (3) access by non-permitted (third country) nationals when allied nation firms are permitted to bid; or (4) subcontracting with a non-permitted firm. Prospective bidders who are either located outside the US or owned (wholly or in part) by non-US interests may be ineligible. Therefore, the information must be identified in the synopsis package so that the Commerce Business Daily advertisement can contain the appropriate limitations. (Note: this is a critical point even for US bidders, as it may affect their freedom to subcontract with their usual foreign-owned subcontractors. If they bid expecting that freedom and later are told of the restrictions, it may void the process.)

3.2.1. Prior to submission of the technical data to the contracting function for synopsis/solicitation, the applicable system engineer/equipment specialist will determine if it contains information subject to foreign disclosure limitations. The unclassified Militarily Critical Technology List (MCTL) is the reference document that identifies technical data not releasable to foreign owned/influenced sources. Additional restrictions are published in various classified Delegation of Disclosure Authority Letters (DDLs). The MCTL and DDLs will be maintained by the center Foreign Disclosure Policy Office (FDPO) and may be issued to using organizations with a continuing need to know and proper storage facilities. Due to the added workload through the acquisition process when foreign disclosure restrictions are applied, the technical specialists must ensure that these restrictions are only applied where appropriate. The FDPO will provide guidance and training as necessary.

Figure 3.1. DD Form 254, Contract Security Classification Specification.

DEPARTMENT OF DEFENSE CONTRACT SECURITY CLASSIFICATION SPECIFICATION <i>(The requirements of the DoD Industrial Security Manual apply local security aspects of this effort)</i>				1. CLEARANCE AND SAFEGUARDING	
				a. FACILITY CLEARANCE REQUIRED	
				b. LEVEL OF SAFEGUARDING REQUIRED	
2. THIS SPECIFICATION IS FOR: <i>(X and/or circle as applicable)</i>				3. THIS SPECIFICATION IS: <i>(X and/or circle as applicable)</i>	
a. PRIME CONTRACT NUMBER				a. ORCONA. (Complete citation of case)	
b. SUBCONTRACT NUMBER				b. REVISED (Supersedes all previous issues) Revision No.	
c. SUBCITATION OR OTHER NUMBER CUE Date/minutes				c. FINAL (Complete term in all cases)	
4. IS THIS A FOLLOW-ON CONTRACT? <input type="checkbox"/> YES <input type="checkbox"/> NO If Yes, complete the following: Classified material received under _____ (Specify Contract Number) is transferred to this follow-on contract.					
5. IS THIS A FINAL DD FORM 254? <input type="checkbox"/> YES <input type="checkbox"/> NO If Yes, complete the following: In response to the contractor's request dated _____, terminated the identified classified material is authorized to the period of _____.					
6. CONTRACT OR <i>(Include Contract and Government Entity (CCE) Code)</i>					
a. NAME, ADDRESS, AND ZIP CODE		b. CAGE CODE		c. COMNAVSECURITY OFFICE (Name, Address, and Zip Code)	
7. SUBCONTRACT OR					
a. NAME, ADDRESS, AND ZIP CODE SAMPLE - FOR REFERENCE PURPOSES ONLY		b. CAGE CODE		c. COMNAVSECURITY OFFICE (Name, Address, and Zip Code)	
8. ACTUAL PERFORMANCE					
a. LOCATION		b. CAGE CODE		c. COMNAVSECURITY OFFICE (Name, Address, and Zip Code)	
9. GENERAL IDENTIFICATION OF THIS PROCUREMENT					
10. THIS CONTRACT WILL REQUIRE ACCESS TO:					
a. COMMERCIAL SECURITY (COMSEC) INFORMATION	YES	NO	11. IN PERFORMING THIS CONTRACT, THE CONTRACTOR WILL:		
b. RESTRICTED DATA			a. REQUIRE ACCESS TO CLASSIFIED INFORMATION ONLY AT AND PERFORM WORKS FACILITY OF ASSIGNMENT ACTIVITY	YES	NO
c. CRITICAL NUCLEAR WEAPONS INFORMATION			b. REQUIRE CLASSIFIED DOCUMENTS ONLY		
d. FORMERLY RESTRICTED DATA			c. REQUIRE AND OPERATE CLASSIFIED MATERIAL		
e. INTELLIGENCE INFORMATION			d. FURNISH, REPRODUCE, OR STORE CLASSIFIED HARDWARE		
(1) Sensitive Compartmented Information (SCI)			e. PERFORM SERVICES ONLY		
(2) Foreign			f. REQUIRE ACCESS TO CLASSIFIED INFORMATION OUTSIDE THE US, PORTUGAL OR PORTUGUESE AND TRUST TERRITORIES		
f. SPECIAL ACCESS INFORMATION			g. REQUIRE ACCESS TO CLASSIFIED INFORMATION OF DEFENSE TECHNICAL INFORMATION CENTER OR OTHER SPECIAL INFORMATION SOURCE		
g. NSA INFORMATION			h. REQUIRE ACCESS TO COMSEC		
h. FOREIGN COMMITMENT INFORMATION			i. HAVE DIVERSITY REQUIREMENTS		
i. LIMITED SENSITIVE INFORMATION			j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS		
j. FOR OFFICIAL USE ONLY INFORMATION			k. BE AWARE OF CLOSE THEFT OF COMSEC SERVICE		
k. OTHER (Specify)			l. OTHER (Specify)		

DD Form 254, DEC 90 (EF-17) (For OASD/MC)

(Previous edition is obsolete)

Figure 3.2. DD Form 254 (Continued).

<b>12. PUBLIC RELEASE.</b> Any information (classified or unclassified) pertaining to this contract shall not be released for public dissemination except as provided by the Industrial Security Manual unless it has been approved for public release by appropriate Government authority. Proposed public releases shall be submitted for approval prior to release. <input type="checkbox"/> Direct <input type="checkbox"/> Through (Specify) _____		
to the Director of Freedom of Information and Security Review Office of the Assistant Secretary of Defense (Public Affairs) for review. In the case of non-DoD User Agencies, requests for disclosure shall be submitted to that agency.		
<b>13. SECURITY GUIDANCE.</b> The security classification guidance for this classified effort is identified below. If any difficulty is encountered in applying this guidance or if any other contributing factor indicates a need for change in this guidance, the contractor is authorized and encouraged to provide recommended changes to challenge the guidance or the classification assigned to any information or material furnished or generated under this contract, and to submit any questions for interpretation of this guidance to the official identified below. Pending final decision, the information involved shall be handled and protected at the highest level of classification assigned or recommended. (Fill in as appropriate for the classified effort. Attach a forward under separate covers for any documents, guidelines, extracts, reference herein. Additional pages as needed to provide complete guidance.)		
SAMPLE - FOR REFERENCE PURPOSES ONLY		
<b>14. ADDITIONAL SECURITY REQUIREMENTS.</b> Requirements, in addition to ISM requirements, are established for this contract. (If Yes, identify the pertinent contractual clauses in the contract document itself, or provide an appropriate statement which identifies the additional requirements. Provide a copy of the requirements to the cognizant security office. Use item 13 if additional space is needed.)		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>15. INSPECTIONS.</b> Benefits of this contract are outside the inspection capability of the cognizant security office. (If Yes, identify specific areas or elements carved out and the activity responsible for inspections. Use item 13 if additional space is needed.)		
		<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>16. CERTIFICATION AND SIGNATURE.</b> Security requirements stated herein are complete and adequate for safeguarding the classified information to be released or generated under this classified effort. All questions shall be referred to the official named below.		
a. TYPED NAME OF CERTIFYING OFFICIAL	b. TITLE	c. TELEPHONE (Include Area Code)
d. ADDRESS (Include Zip Code)	<b>17. REQUIRED DISTRIBUTION</b> <input type="checkbox"/> a. CONTRACTOR <input type="checkbox"/> b. SUBCONTRACTOR <input type="checkbox"/> c. COGNIZANT SECURITY OFFICE FOR PRIME AND SUBCONTRACTOR <input type="checkbox"/> d. U.S. ACTIVITY RESPONSIBLE FOR OVERSEAS SECURITY ADMINISTRATION <input type="checkbox"/> e. ADMINISTRATION CONTRACTING OFFICER <input type="checkbox"/> f. OTHERS AS NECESSARY	
e. SIGNATURE		

3.2.2. For spare parts/hardware buys, the identification occurs during the technical screening process (Chapter 12). As part of the technical screening, the engineers will either (1) confirm that the engineering data does not contain Foreign Disclosure Restricted information based on the MCTL and/or DDL; or (2) consult with the FDPO to obtain a determination of what restrictions apply. The determination is reflected in the Distribution Code on the Engineering Data List (Chapter 14).

3.2.3. Services and data PRs will require similar screening against the MCTL and/or DDL, except that this screening will be accomplished by the originator of the Statement of Work (SOW) or equivalent document. The SOW shall contain a clear statement confirming that either Foreign Disclosure Restrictions do or do not apply. The SOW originator shall consult with the FDPO as needed to obtain that determination. Careful attention must be given to these types of contracts not only from the aspect of to what information must be given to the contractor, but also what information the work will allow access. For example, a computer system maintenance contract may not involve working on sensitive technology, but the contractor in the course of doing the maintenance will have access to sensitive data in the system's data files. Foreign Disclosure Restrictions must be applied in such cases.

3.2.4. Based on the technical determination above, the PR initiator will plainly mark the PR as being subject to foreign disclosure restrictions. The contracting function will include the necessary notes in the synopsis to require prospective offerors to certify their level of foreign ownership/influence in their request for the solicitation package. Per AFR 200-9, (C) *Disclosure of Classified and Unclassified Military Information to Foreign Governments and International Organizations (U)*, the buyer will request FDPO review of any foreign owned/influenced prospective offeror's request for the solicitation package. The FDPO must review each request on a case-by-case basis and advise the buyer of the determination. The FDPO (and all others involved in the review) must provide quick response to these requests in order to not impede the acquisition.

**3.3. Product Security (PRODSEC) Management.** PRODSEC management is the process of determining the need for and implementing physical security for products (items, commodities, or systems) at contract facilities—both government- and contractor-owned. PRODSEC requirements are usually first identified during the Engineering and Manufacturing Development phase of acquisition. However, for any contract during any phase, requirements must be established during the development of the Statement of Work and Request for Proposal. Procedures for applying and implementing PRODSEC are in AFI 31-703, *Product Security*.

**3.4. Transfer of Management Responsibility.** The policies and procedures in this regulation assume that the requirement is identified and the acquisition process concluded with no change in management responsibility for the item or service being acquired. When such a change is anticipated, early action is needed to assure that mission support is maintained during the handover. Detailed procedures are in DODM4000-25-2, *Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP)*, Chapter 11; and AFM 67-1, Vol I, Part Two, Chapter 2. Losing and gaining activities shall maintain close and effective coordination throughout the logistics reassignment process.

**3.5. Starting Point Following Requirements/Funds Approval.** Except as allowed in the next paragraph, initiators will not place a PR into the coordination process until the buy requirement or program has been approved in accordance with the program management policies or requirement system policy directive and funds have been made available for commitment and obligation. However, the initiator

should proceed with pre-PR actions while the review is underway, especially if the buy requirement needs a high-level approval.

**3.6. Initiating PRs Ahead of Funds Availability.** PR initiators should prepare and submit advance PRs when they have firm, known requirements but do not yet have funds available for commitment and obligation. This saves Administrative Lead Time (ALT) by allowing processing actions to proceed pending requirements approval or funds availability. Use the following guidelines to process Advance PRs:

3.6.1. Place the following statement in the remarks section of the PR: "FY \_\_\_\_ funds apply to this requirement. Do not obligate funds until funds availability has been certified. Place appropriate bid expiration legend in the solicitation." If the funds are released on a quarterly basis, include the quarter with the fiscal year (e.g., FY93/2). Place the fund cite which will be used in Block 13 of the PR per AFR 177-102, *Commercial Transactions at Base Level (PA)*, Sect F.

3.6.2. The PR initiator shall complete the remainder of the PR package in the same manner and coordinate it through the same channels as a normally funded PR. However, the Accounting and Finance coordination will involve only initiation of the funds as commitment is not possible at this point.

**3.7. Acquisition Strategy Planning for Selected Buys.** Formal Acquisition Plans are required for major acquisitions; detailed procedures are in the Federal Acquisition Regulation (FAR). While acquisitions such as those for non-developmental replenishment spares do not need formal Acquisition Plans, advance planning and action can enhance mission support. The payoff is greatest for higher dollar buys, as the lead time shrinks and pipeline investment is in turn reduced. Real benefits also accrue from this special attention when focused on problem items, regardless of acquisition cost. PR initiators may apply the following approach to such buys.

3.7.1. D062 data level notices and D041 term point buys on the September/December computations indicate probable future buy activity. Based on such notice, the IMS should request the Equipment Specialist and associated technicians take action to have the necessary Technical Data Package available when needed. This includes, but is not limited to, Acquisition Method Code (AMC) screening, quality assurance provisions, marking requirements, and so on.

3.7.2. Actions indicated on previous AMC Screening Worksheets such as planned purchase of data rights should be followed up on.

3.7.3. Management tools such as milestone charts, critical path analysis, and so on can be beneficial in these efforts.

**3.8. Standard SE Identified During Provisioning.** The acquisition process for new systems includes a review of the support equipment (SE) which will be required. The system acquisition manager (e.g., the Product Center System Program Office (SPO)) produces a Support Equipment Recommendation Document (SERD), and passes it to the involved ALC(s) for review. If this review identifies standard SE (that is, SE which is already catalogued and assigned for ALC management), the following actions are necessary.

3.8.1. The assigned SE IMS will review current USAF and other DOD asset balances. If the requirement can be totally or partially satisfied from available assets, the IMS will initiate the necessary supply actions.

3.8.2. If the total requirement cannot be satisfied from available DOD assets, the IMS will review current buy/contract actions. If possible, the IMS will place an order or process an amendment to those actions to add the additional requirements.

3.8.3. If the alternatives above will not satisfy the total requirement, the SPO will determine the most appropriate method of acquisition-either by adding the SE requirement to the production contract or by sending the IMS a funded PR.

3.8.4. The IMS will list the actions taken in the provisioning documentation and item files.

3.8.5. For all actions, the need date specified on the provisioning documents will be the basis of the requisition/contracting priority. However, the IMS and SPO should remain in close contact with each other, and take prompt action should the need date change.

**3.9. Requirements in Support of Mod/TCTO Programs.** Spare parts and hardware requirements to support modification/Time Compliance Technical Order (TCTO) programs can fall into one of a number of situations. If the Government is contracting for engineering and developmental support for the program, the spare parts and hardware will be a line item on the PR for those services (see Part Four). In-house projects, where Government personnel have developed and will execute the program, will be processed as follows:

3.9.1. Upon completion of the kit development, the modification Production Management Specialist (PMS) will circulate a list of items needed for the kit to all involved activities (including other DOD Inventory Control Points (ICPs) which are Primary Inventory Control Activities (PICAs) for the kit items). Those IMSs with items which can be issued from stock without triggering immediate buy action will advise the program manager. The program manager will arrange for direct requisitioning by the ALC mod kit manager. The involved IMSs will take action per local procedures to protect the committed assets from issue against other requirements.

3.9.2. Items which are not flagged for direct requisition will be obtained in one of the following ways:

3.9.2.1. Nonstock listed items: The PMS will initiate a local purchase PR with delivery through accountable channels directly to the DS Kit Manager.

3.9.2.2. Stock listed items: Normally the IMS will initiate a PR for the kit requirements.

3.9.2.2.1. Option 1: The PMS will provide a fund cite, which the IMS will apply against the specific PR line item for the kit requirements. Other requirements (USAF, FMS, etc.) will be separate PR line items. The kit line item will have specific ship to/mark for instructions to ensure that it does not go into normal stock. (This option should not be used where schedule risk-expected deliveries compared to kit need dates-is high.)

3.9.2.2.2. Option 2: Based on the identified kit requirements, the IMS will initiate a PR to satisfy the requirements plus any other known requirements. The kit requirements will be included in the line item for normal USAF support and funded accordingly. The IMS will coordinate with the PMS and the ALC mod kit manager to arrange the timing of the requisitions. This option results in both operational and kit requirements being pulled from the same pool of assets. The PR priority and delivery schedule are critical. The IMS must ensure optimal mission support while satisfying kit assembly schedules in support of the modification program.

3.9.2.2.3. Option 3: When there is no other buy requirement for the item(s), the PMS may (with IMS concurrence) initiate PR(s) for the kit requirements. Ship to/mark for instructions will be as in (a) above.

3.9.3. In some cases, it may be determined that needed assets are currently within the DOD inventory and also available from commercial sources just as (or even more) quickly. The Government source must be used unless the PR initiator can certify that there will be a serious mission/schedule impact imposed if the Government source is used (see para 8.9.1.2).

3.9.4. As directed in the kit assembly schedule, the ALC mod kit manager will requisition from stock or receive contract deliveries of the components and assemble the complete kits. As each kit or batch of kits is completed, the ALC mod kit manager will coordinate with the PMS and the Product Directorate (PD) kit IMS to transfer the completed kits to PD stock under an assigned kit NSN. The kits are then available to be issued to requiring activities.

## Chapter 4

### COMPETITION POLICY

**4.1. General.** Air Force policy requires AFMC to award purchases and contracts competitively as much as possible. The Air Force objective is to obtain the best technical solutions, quality, schedule, and price possible on the open market place. Competition gained emphasis due in large part to the perception that sole-source suppliers were in too many cases charging excessive prices for their products. When more than one supplier is trying to sell a product to the Government, in most cases they will offer their lowest price--to the benefit of the Government. By competing buys, the Government also increases the pool of capable sources. This reduces the risk to mission support in the event that any given supplier decides to no longer submit bids. Competition policy is based on the Competition in Contracting Act of 1984, Public Law 98-369, as implemented in the Federal Acquisition Regulation (FAR) and its supplements. Compliance is mandatory. USAF and AFMC procedural guidance implementing the competition policies has been developed using the maximum latitude allowed by the law. Competition policy is primarily defined in the FAR, DFARS, AFFARS, and AFMCFARS. This chapter is intended to complement these regulations; however, it does not take precedence.

**4.2. Full and Open Competition (F&OC).** The FAR defines F&OC as an acquisition process in which all responsible sources are permitted to compete. F&OC relates to the approach used in the procurement process, not the results of a solicitation. F&OC exists when the proposed acquisition is synopsized per FAR Part 5, all interested sources are permitted to submit offers, and all such offers are considered.

4.2.1. In order for acquisitions involving preaward qualification requirements (FAR 9.2, as supplemented) to be considered F&OC, the opportunity for additional sources to become qualified for the instant buy must be provided. This includes documenting the technical qualification requirements, furnishing those requirements to all interested sources, and providing those sources access to the qualification process in sufficient time to qualify for and submit a proposal on the instant acquisition. Depending on the nature of the preaward qualification requirements, "sufficient time" may be available either concurrent with the usual preaward actions or provided by means of a timely advance notice to potential offerors through a sources sought notice in the Commerce Business Daily (CBD). Timely notice that prequalification requirements have been established may be accomplished by providing notice in the CBD; this action may be independent of any specific solicitation.

4.2.2. For acquisitions where other impediments to competition exist (as indicated by an Acquisition Method Suffix Code (AMSC) other than "G"), the impediment must be resolvable on the instant buy in order to have F&OC (i.e., special tooling which is owned by the Government and can be provided to the successful offeror).

**4.3. Other Than Full and Open Competition (OTF&OC).** Any purchase action not meeting the criteria to be considered F&OC will be considered OTF&OC, and supporting justification will be required as described in this chapter. "Limited" competition, such as with two or more qualified sources but the Government lacks the data to qualify any others, is considered OTF&OC.

**4.4. Supporting Documents for OTF&OC Purchases.** Circumstances such as an item's restrictive Acquisition Method Code (AMC)/Acquisition Method Suffix Code (AMSC), only one source having the



ability to perform the needed service, or an urgent need which limits our time to obtain the service or item may force use of OTF&OC. The logic below and illustrated in Figure 4.1 indicates the justification document, if any, needed for PRs which will lead to new contracts. (Items exempt from AMC/AMSC screening are considered below only if competition must be restricted. If no restrictions are placed on competition, it is F&OC.)

4.4.1. A. Is the total PR value (including all line items, options, maximum order quantities, etc.) \$25,000 or less? Normally, this means that Small Purchase procedures will be applied and a J&A is not required. In some cases, the buyer may determine that Small Purchase procedures should not be applied, and may request that the PR initiator forward a J&A.

NO: Go to b.

YES: Go to e.

4.4.2. B. Is this PR driven by an FMS request or requisition placed under a Letter of Offer and Acceptance which limits the source(s) to be solicited, or are there special circumstances which would place this buy into an area covered by authority (c)(3), Industrial Mobilization; (c)(5), Authorized or Required by Statute; (c)(6), National Security; or (c)(7), Public Interest?

YES: For FMS country-directed sole-source, prepare an International Agreement Competitive Restriction (IACR) in lieu of a J&A (see DFARS 206.302-4). (The IACR can be processed much more quickly than a J&A because it is approved locally regardless of dollar value. See AFMCFARS 5306.302-4 and Figures 5306-1 and 5306-2 for detailed instructions.) For other "special cases", prepare a J&A citing the applicable authority, unless exempted (e.g., some buys under (c)(5)).

NO: Go to c.

4.4.3. C. Can the initiator document and support application of authority (c)(2)? (See paragraph 4.10.)

YES: Prepare an authority (c)(2) J&A.

NO: This buy cannot be exempted from Full and Open Competition based on the urgency, although other factors (e.g., missing data) may apply below. Nevertheless, internal urgent processing such as walk-through procedures may be applicable. If so, and as required by local policy, document the need for urgent processing and obtain needed approvals. Go to d.

4.4.4. D. For services, do we have the necessary time, data, specifications, qualification requirements, and so on to qualify additional interested sources for full and open competition on this buy? For items, is the AMC/AMSC 1G or 2G; or, if not, do we have the time and ability to resolve the impediment for this buy? (For all buys, this is a judgment call which will depend on many variables. An item's AMC/AMSC is only the starting point, as a restrictive AMSC only identifies the type of impediment. The requirements activity, in coordination with the technical specialists, competition advocate, and buyer, must determine the actions needed to resolve the impediment; then determine if the actions are possible and sensible; determine how much time the actions will require; and then determine if the need date has enough flexibility to allow competitive acquisition without forcing an upgrade to urgent/emergency priority. This last criterion depends on the mission essentiality of the item or service, as some will always have a flexible need date. Note also that if the existence of an item's preaward qualification requirements has been published in the Commerce Business Daily, and additional sources have been invited to qualify in sufficient time for the instant buy, we have satisfied the requirements

for F&OC regarding pre-award qualification requirements whether or not any additional sources tried to become qualified.)

YES: This will be a F&OC purchase, and no J&A is required.

NO: This purchase will be either sole source or limited competition. An authority (c)(1) J&A is required.

4.4.5. E. Is estimated dollar value \$2500 or more?

NO: No justification is required [AFFARS 5313.106c(1)].

YES: Go to f.

4.4.6. F. Will more than one source be solicited?

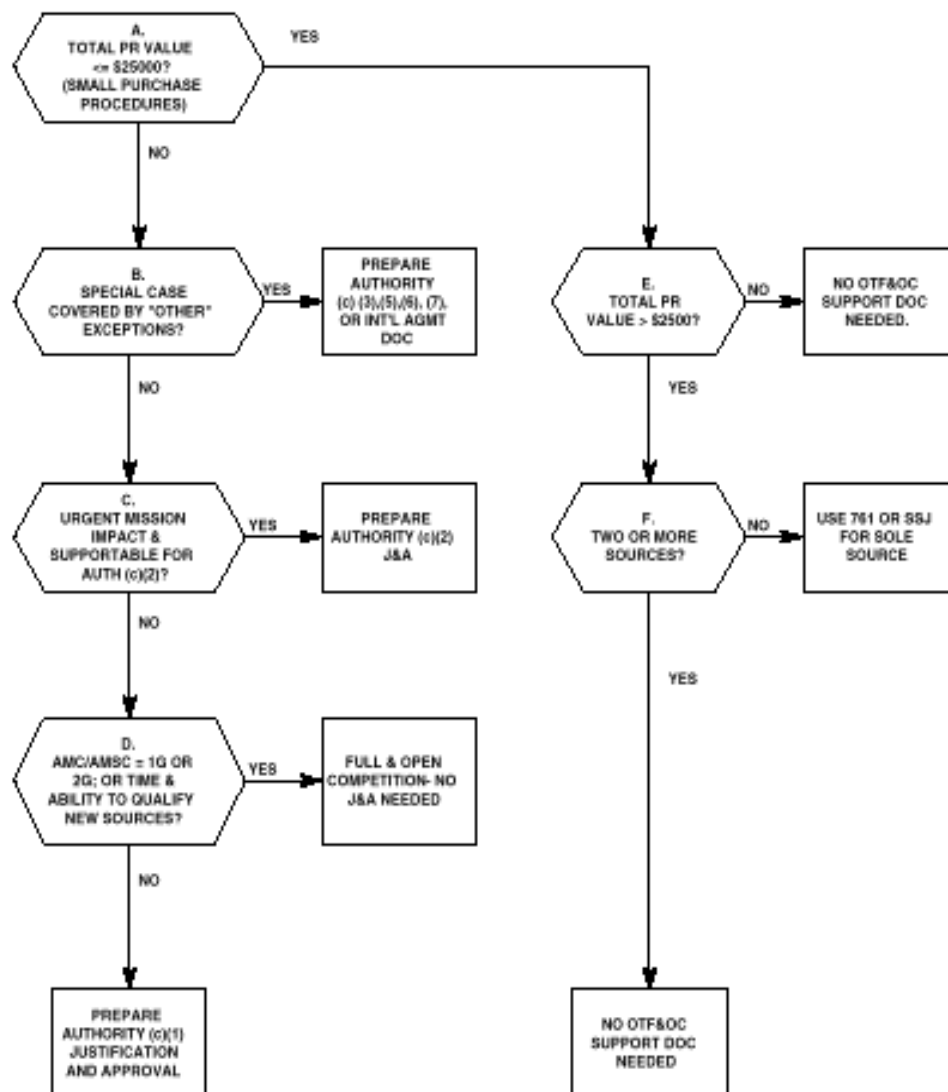
YES: The minimum competition requirements are satisfied.

NO: If there is a valid AFMC Form 761, *AMC/AMSC Screening Analysis Worksheet*, and the urgent requisitions (if any) are cited on the PR, use it as justification for the sole source buy (see AFFARS 5313.106c(2)). Otherwise, prepare a Sole-Source Justification (SSJ) as described in paragraph 4.7 below.

**4.5. Preparation of the J&A.** A Justification and Approval (J&A) is a document which records (1) the reasons for purchasing an item, class of items, or service without providing for F&OC; (2) actions which will be taken to remove barriers to competition, if possible, on future purchases; and (3) the approval by the appropriate authority. The requiring activity initiates a J&A for planned purchases as indicated in paragraph 4.4. Two formats are available:

4.5.1. Purchases exceeding \$10,000,000 require approval of the Senior Procurement Executive (Assistant Secretary of the Air Force (Acquisition)--SAF/AQ) or (if \$50,000,000 or less) his/her designee, and the format in AFMCFARS Figure 5306-3 must be used. Under this format, the requiring activity assists the buyer in preparation of the J&A. The coordinations are placed on a cover sheet called a Justification Review Document (JRD). The buyer prepares the JRD as specified by AFMCFARS Figure 5306-4. Secretarial approval is transmitted via a memorandum called a Final Acquisition Action Approval (FAAA).

Figure 4.1. Decision Tree for Other Than Full &amp; Open Competition Justification.



4.5.2. For purchases with a dollar value of \$10,000,000 or less (except those using small purchase procedures) a simplified format may be used, in which each involved activity completes and certifies information in their area of responsibility. The requirements activity consolidates and forwards the information in paragraph 4.5.3.1-4.5.3.9 to the contracting activity. Properly certified and current information, such as actions taken to resolve barriers to competition which are detailed on the AFMC Form 761, may be incorporated by reference when that document is attached. The contracting activity will complete the J&A per paragraph 4.5.3.10-4.5.3.13.

4.5.2.1. PR initiators recommending OTF&OC based on urgency (authority (c)(2)) will justify that request using the format detailed in 4.5.3 below.

4.5.2.2. When an item is recommended for OTF&OC based on technical inability to compete (authority (c)(1)), either the PR initiator or the screening specialist, as designated by local policy, will justify that request. For spares subject to the DOD Spare Parts Breakout Program (DFARS Appendix E), they may use AFMC Form 551, *Individual Justification and Approval for Other Than Full and Open Competition (Exception I)* (Figure 4.2).

4.5.2.3. For non-item buys, or if the circumstances of an item buy make use of the AFMC Form 551 inappropriate, the initiator will use the narrative format detailed below. Because this form relies upon information in other documents, the initiator must pay close attention to those areas to ensure that the referenced information is in fact adequate. Supplementary information may be added on the form or on a continuation sheet, if needed.

4.5.2.4. For administrative convenience, local routing/ coordination sheets may be used with either the standard forms or narrative type J&As.

4.5.3. The following J&A format applies to buys (for spares and non-spares alike) not exceeding \$10,000,000. Parenthetical notes indicate where the information appears on the AFMC Form 551 (for spares buys) when its use is appropriate.

4.5.3.1. Identification of the Department of the Air Force and the acquiring center, and identification of the document as a "Justification for Other Than Full and Open Competition." (AFMC Form 551, Title/block 1).

4.5.3.2. Nature and/or description of the action to be approved (i.e., acquisition of supplies). (Block 1).

4.5.3.3. A description of the supplies or services required to meet the Air Force's needs, including the estimated value of the requirement. For hardware purchases, this should reflect the item description on the PR. The estimated dollar value of the requirement will include the estimated maximum outyear costs based on the maximum ordering quantity of the contract if multiple-year contracting is being recommended. In these cases, attach a copy of the AFMC Form 338, *MYC Request and Contract Information*, which will be forwarded with the PR. (Block 2 of AFMC Form 551).

4.5.3.4. Identification of the statutory authority permitting OTF&OC. (Block 3 of AFMC Form 551, for authority (c)(1)). The statutory authorities are:

4.5.3.4.1. 10 U.S.C. 2304(c)(1): Only One or a Limited Number of Responsible Sources Can Provide the Item or Service Needed. The definition of responsible source includes the existence of technical skills and production/ technical equipment, or the ability to obtain them while complying with the proposed delivery schedule. Therefore, this authority may apply when

there are technical data, engineering, tooling, or manufacturing restrictions (AMSC other than "G"). Acquisitions under this authority shall be synopsisized and all offers shall be considered. This authority is preferred to authority (c)(7), but will not be used when authority (c)(2), (3), (4), (5), or (6) applies.

4.5.3.4.2. 10 U.S.C. 2304(c)(2): Unusual and Compelling Urgency. This authority may be applied to certain acquisitions processed under contracting priority A, B, C, and D (see paragraph 8.3). The basic criterion is that the Government would be seriously injured\_either financially or in other terms such as mission readiness\_if we pursue F&OC or use one of the other exceptions. This authority may only be applied to the minimum quantity needed to preclude harm to the Government. It may not be used for routine buys (contracting priority codes R and E). Acquisitions under this authority may be exempted from synopsis requirements when the Government would be seriously harmed by the added delay associated with synopsis time requirements, although as many potential sources as practicable should be solicited. Furthermore, advance (concurrent) synopsis may be possible and should be pursued in cases where the requirements activity can furnish the contracting activity with sufficient advance information. If necessary, the J&A for this acquisition may be processed after the award to avoid further delay and injury to the Government (the initiator must submit the J&A as soon as possible so as to allow final approval no later than 30 days after contract award). The J&A citing this authority may also be used to document the reasons for using the expedited actions associated with urgent buys as required in paragraph 8.4.

4.5.3.4.3. 10 U.S.C. 2304(c)(3): Industrial Mobilization; or Engineering, Developmental, or Research Capability. This authority applies when it is necessary to award a contract to one source or selected sources to maintain reliable sources for essential supplies or services in case of a national emergency or to achieve industrial mobilization; or to establish or maintain an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center. This authority generally will apply only to certain items on the Critical Item List/Industrial Planning Preparedness List (CIL/IPPL) which satisfy the criteria above.

Figure 4.2. AFMC Form 551, Authority (e)1)Justification and Approval (Replenishment Spares).

<b>INDIVIDUAL JUSTIFICATION AND APPROVAL FOR OTHER THAN FULL AND OPEN COMPETITION</b> (Replenishment Spares Up to \$10M-Exception 1 )				PR/MPR NUMBER(S)	
PREPARED BY		OFFICE SYMBOL		PHONE	
<b>1. NATURE OF THE ACTION</b> <span style="float: right;"><b>FAR 6.303-2(a)(1) and (2)</b></span>					
a. DUE TO THE CIRCUMSTANCES DESCRIBED HEREIN, THE DEPARTMENT OF THE AIR FORCE, THROUGH _____, REQUESTS THE FOLLOWING SPARE PARTS BE ACQUIRED USING OTHER THAN FULL AND OPEN COMPETITION PROCEDURES. THIS SUPPORTS <input type="checkbox"/> USAF <input type="checkbox"/> IWS <input type="checkbox"/> ARMY <input type="checkbox"/> NAVY <input type="checkbox"/> OTHER _____ REQUIREMENTS FOR THE _____ (and item, system, program or aircraft )					
b. THE FOLLOWING SOURCE(S) AND THOSE LISTED ON THE ATTACHED AFMC FORM 761 REPRESENT THE ONLY KNOWN SOURCE(S) CAPABLE OF PROVIDING THE REQUIRED SUPPLIES.					
(1)		(2)			
(3)		(4)			
c. CONTRACT SPECIAL FEATURES <input type="checkbox"/> SURPLUS ACCEPTABLE <input type="checkbox"/> QUANTITY DISCOUNT <input type="checkbox"/> NONE <input type="checkbox"/> DATA ( See DD Form 1423 ) <input type="checkbox"/> WARRANTY <input type="checkbox"/> MULTIPLE YEAR CANDIDATE <input type="checkbox"/> OPTIONS					
<b>2. DESCRIPTION OF SUPPLIES</b> (For additional descriptive information see PR and AFMC Form 761 ) <span style="float: right;"><b>FAR 6.303-2(a)(3)</b></span>					
NSN		NOUN		QUANTITY	AMC/AMSC
CAGE	P/N	UNIT PRICE	TOTAL PRICE ( Basic qty this NSN )	<input type="checkbox"/> ADDITIONAL NSNs APPLY (See PR for all NSNs )	
TOTAL ESTIMATED COST*			*NOTE: The total estimated cost must be based on the maximum PR quantity (all NSN s) including options.		
BASIS FOR ESTIMATED COST <input type="checkbox"/> REQUIREMENTS COMPUTATION <input type="checkbox"/> PRIOR HISTORY <input type="checkbox"/> CONTRACTOR QUOTE, DATED _____ <input type="checkbox"/> CATALOG <input type="checkbox"/> OTHER _____					
<b>3. STATUTORY AUTHORITY</b> <span style="float: right;"><b>FAR 6.303-2(a)(4)</b></span>					
10 USC 2304(c)(1) AS IMPLEMENTED BY FAR 6.302-1. ONLY ONE OR A LIMITED NUMBER OF RESPONSIBLE SOURCES.					
<b>4. APPLICABILITY OF AUTHORITY</b> <span style="float: right;"><b>FAR 6.303-2(a)(5)</b></span>					
THE SPECIFIED ITEMS ARE REQUIRED TO INSURE FORM, FIT, AND FUNCTION WHICH ARE ESSENTIAL FOR ACCURATE PERFORMANCE OF THE SYSTEM/PROGRAM IDENTIFIED IN SECTION 1 ABOVE.					
<input type="checkbox"/> A. COMPLETE, COMPETITIVE PACKAGE (including data, master tooling or test equipment, as applicable) IS NOT AVAILABLE. <input type="checkbox"/> THERE IS SUFFICIENT TIME ON THE INSTANT BUY TO QUALIFY ADDITIONAL SOURCES (see Block 7) THE AMSC IS: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> A: GOVERNMENT DATA RIGHTS QUESTIONABLE  <input type="checkbox"/> B: SOURCE CONTROL RESTRICTIONS  <input type="checkbox"/> C: ENGINEERING SOURCE APPROVAL REQUIRED  <input type="checkbox"/> D: LACK OF DATA ( Review/complaint )  <input type="checkbox"/> E: LACK OF DATA ( Pending resolution )  <input type="checkbox"/> K: SPECIAL CASTINGS/FORGINGS  <input type="checkbox"/> L: LOW BUY VALUE, NOT SCREENED  <input type="checkbox"/> M: MASTER/COORDINATED TOOLING  <input type="checkbox"/> N: SPECIAL TEST/INSPECTION FACILITIES           </div> <div style="width: 45%;"> <input type="checkbox"/> P: PROPRIETARY DATA  <input type="checkbox"/> Q: DATA OR RIGHTS TO DATA MISSING  <input type="checkbox"/> R: UNECONOMICAL TO PURCHASE DATA RIGHTS  <input type="checkbox"/> S: UNCLASSIFIED/SENSITIVE TECHNOLOGY  <input type="checkbox"/> T: QUALIFIED PRODUCTS LIST (QPL)  <input type="checkbox"/> U: UNECONOMICAL TO COMPETE  <input type="checkbox"/> V: HIGH RELIABILITY PART  <input type="checkbox"/> Y: UNSTABLE DESIGN  <input type="checkbox"/> Z: COMMERCIAL RDM SALIENT CHARACTERISTICS           </div> </div>					
<b>5. MARKET SURVEY</b> <span style="float: right;"><b>FAR 6.303-2(a)(8)</b></span>					
<input type="checkbox"/> NO MARKET SURVEY WAS CONDUCTED BECAUSE A COMPLETE COMPETITIVE PACKAGE DOES NOT EXIST ( AFMC FARs 5307.103(c)(9)(3)(V)(8)(c) ) <input type="checkbox"/> SEE AFMC FORM 761 <input type="checkbox"/> SEE MARKET SURVEY RESULTS (attached) <input type="checkbox"/> OTHER COMMENTS _____					

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Figure 4.3. AFMC Form 551 (Continued).

<b>6. OTHER FACTS SUPPORTING USE OF THIS EXCEPTION</b>		<b>FAR 6.303-2(a)(9)</b>
(Use continuation sheet if necessary)		
<b>7. STEPS TO FOSTER COMPETITION</b>		<b>FAR 6.303-2(a)(11)</b>
COMPETITION ON FUTURE PURCHASES IS BEING FOSTERED BY:		
<input type="checkbox"/> ACTIONS TO REMOVE IMPEDIMENTS TO COMPETITION DETAILED ON THE ATTACHED AFMC FORM 551 OR CONTINUATION SHEET		
<input type="checkbox"/> OTHER ACTIONS (Use continuation sheet if necessary)		
<input type="checkbox"/> ANTICIPATED DATE COMPETITION WILL BE POSSIBLE (Mo/Yr)		
<input type="checkbox"/> NO ACTION CURRENTLY CONTEMPLATED. IT HAS BEEN DETERMINED AND DOCUMENTED ON THE ATTACHED AFMC FORM 551 THAT IT IS NOT POSSIBLE/NOT ECONOMICAL TO CONVERT THIS ITEM TO COMPETITIVE STATUS.		
<b>8. REQUIREMENTS ACTIVITY CERTIFICATION</b>		<b>FAR 6.303-2(b)</b>
I HEREBY CERTIFY THAT THE ABOVE INFORMATION IS ACCURATE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF		
REQUIREMENTS	DATE	
TECHNICAL	DATE	
<b>REVIEW AND COORDINATION (Per local policy -- use supplemental sheet if necessary)</b>		
INITIATOR'S SUPERVISOR	DATE	
HIGHEST REQUIREMENTS ACTIVITY LEVEL (W/LOCAL POLICY)	DATE	
<b>9. TYPE OF CONTRACT</b>		
THE COST, TECHNICAL, AND SCHEDULE RISKS ARE CONSIDERED _____, _____, AND _____ BECAUSE _____		
_____ BASED ON THE ANTICIPATED RISK, A _____ TYPE		
CONTRACT WILL BE USED BECAUSE IT IS THE MOST ADVANTAGEOUS TO BOTH PARTIES.		
(IF APPLICABLE: SHARE RATIO: _____, CEILING: _____)		
<b>10. FAIR AND REASONABLE COST</b>		<b>FAR 6.303-2(a)(7)</b>
THE PROCEDURES AND CRITERIA CONTAINED IN FAR 15.8 WILL BE FOLLOWED TO INSURE THE PRICE IS FAIR AND REASONABLE. DETAILED DOCUMENTATION AND JUSTIFICATION OF PRICE REASONABLENESS WILL BE SET FORTH IN THE PRICE NEGOTIATION MEMORANDUM.		
<b>11. LIST OF INTERESTED SOURCES</b>		<b>FAR 6.303-2(a)(6) and (10)</b>
THIS REQUIREMENT HAS BEEN SYNOPSISSED IN THE COMMERCE BUSINESS DAILY (CBD). ALL KNOWN SOURCES WILL INITIALLY BE SOLICITED. OTHER SOURCES WHICH EXPRESS INTEREST AS A RESULT OF ACTIONS TAKEN WILL BE PROVIDED A COPY OF THE SOLICITATION AND LISTED IN THE CONTRACT FILE. ALL OFFERS RECEIVED WILL BE CONSIDERED. IF SURPLUS ITEMS ARE ACCEPTABLE, KNOWN SURPLUS DEALERS WILL BE SOLICITED.		
<b>12. CONTRACTING OFFICER'S CERTIFICATION</b>		<b>FAR 6.303-2(a)(12)</b>
I CERTIFY THIS DOCUMENT TO BE BOTH ACCURATE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF		
CONTRACT NEGOTIATOR SIGNATURE	DATE	
CONTRACTING OFFICER SIGNATURE	DATE	
<input type="checkbox"/> VALUE REVISED AFTER INITIATION BASED ON _____ (PR amendment, etc.)		
<input type="checkbox"/> J & A VALUE IS $\leq$ \$100,000; APPROVAL IS BY THE PCO.		
<input type="checkbox"/> J & A VALUE IS $\leq$ \$100K BUT $\geq$ \$1M; LEGAL COORDINATION REQUIRED; APPROVAL IS BY COMPETITION ADVOCATE		
<input type="checkbox"/> J & A VALUE IS $\leq$ \$1M BUT $\geq$ \$10M; LEGAL, COMPETITION ADVOCATE, AND SCOO COORDINATION/REVIEW REQUIRED; APPROVAL BY DESIGNATED GENERAL OFFICER/SES		
CONTRACTING COORDINATION (Per local policy)	DATE	
COMPETITION ADVOCATE COORDINATION	DATE	
LEGAL COORDINATION	DATE	
SCOO COORDINATION	DATE	
APPROVAL AUTHORITY	DATE	

4.5.3.4.4. 10 U.S.C. 2304(c)(4): International Agreement. This authority applies when an agreement or treaty between the United States and a foreign government or international organization precludes F&OC, or when a foreign government which is reimbursing the cost of the acquisition specifies in the written orders that OTF&OC will be used.

4.5.3.4.5. 10 U.S.C. 2304(c)(5): Authorized or Required by Statute. This authority applies when a statute expressly authorizes or requires that the acquisition be made through another agency or another source, such as Federal Prison Industries, Qualified Nonprofit Agencies for the Blind or other Severely Handicapped, Government Printing and Binding, or the 8(a) Program. In specific cases, this authority allows for acquisitions under OTF&OC without requiring a justification document. However, in practice few weapon system support item acquisitions should be initiated under this authority. This authority specifies that when selected buys are diverted into the 8(a) program by the Small Business Office, the requiring activity need not prepare a J&A after the fact.

4.5.3.4.6. 10 U.S.C. 2304(c)(6): National Security. This authority applies when mere publication of the fact that the Air Force needs the item or service would compromise national security. This authority does not apply just because the acquisition is classified or because the contractor will require access to classified materials.

4.5.3.4.7. 10 U.S.C. 2304(c)(7): Public Interest. This authority applies when none of the above exceptions apply and the Secretary of the Air Force determines that it is not in the public interest to pursue F&OC. Use of this authority is strictly controlled, and it imposes delays in the process while the justification is reviewed. This authority is reserved for only the most extreme cases.

4.5.3.5. A demonstration that the proposed contractor's or contractors' unique qualifications or the nature of the acquisition requires use of the authority cited. This must be specific. The burden is on the initiator to prove that OTF&OC is needed. When using the AFMC Form 551, block 4 will indicate the general circumstances pertaining to this purchase, and the specific narrative justification of the authority will be included in block 7. **FOR PURCHASES UNDER STATUTORY AUTHORITY 2, PROVIDE ADEQUATE AND COMPLETE JUSTIFICATION FOR USE OF THE AUTHORITY. SUPPORTING INFORMATION DESCRIBED IN 4.5.3.4.2 AND 4.10 MUST BE PROVIDED!** (Note: A single line item will be supported using only one statutory authority.)

4.5.3.6. A description and results of any market survey, or a statement that no survey has been conducted with justification (Block 5 of AFMC Form 551). For spares, this information may be included on the AFMC Form 761 if screening was done. Market surveys are not required on acquisitions of \$25,000 or less; on acquisitions where adequate and effective competition exists; on FMS country-directed sole source buys; on acquisitions to be processed under authority (c)(2) (unusual and compelling urgency) to F&OC; and on acquisitions to be processed under authority (c)(1) (only one or a limited number of qualified sources) to F&OC when the reason for that determination indicates that no other sources can be developed (i.e., proprietary data or no data available). Eligible acquisitions over \$25,000 but \$100,000 or less do not require extensive market survey efforts. For these acquisitions, ongoing or prior efforts such as prior synopsis results and general source identification efforts will generally suffice. Eligible acquisitions over \$100,000 but \$3,000,000 or less should have had an "advance sources sought synopsis" issued. Eligible acquisitions over \$3,000,000 require every feasible action to identify additional sources. To the extent



feasible, market survey actions (as required) should be completed prior to receipt of the actual buy notice from the requirements system. The PR processing will not be held up pending completion of a market survey if such delay will result in a routine requirement becoming urgent (be sure to identify when this is the case and describe what market survey information is available).

4.5.3.7. Any other facts supporting the use of OTF&OC including, as appropriate: (Block 6 of AFMC Form 551).

4.5.3.7.1. Explanation of why technical data packages, specifications, statements of work, etc. suitable for F&OC have not been developed or are not available.

4.5.3.7.2. An estimate of the cost that would be duplicated (and how derived) under F&OC when authority (c)(1) to F&OC is cited for follow-on acquisitions.

4.5.3.7.3. Data, estimated tangible cost, or other rationale detailing the expected extent and nature of harm to the Government when authority (c)(2) is cited. See paragraph 4.10 on use of this authority. Cost factors may include such things as direct cost to lease commercial resources pending repair of the failed Government resource. There is no requirement to quantify intangible costs such as the value of deterrence lost or the cost of training program slip-page due to an aircraft being grounded.

4.5.3.8. A statement of the actions taken, if any, to remove or overcome competitive barriers on future acquisitions. This information must be detailed in Section F, block 2 of the AFMC Form 761. If no actions have been taken, explain here or on the attached AFMC Form 761 why not. (Block 7 of AFMC Form 551).

4.5.3.9. A statement by the J&A initiator that the information provided is certified as complete and accurate to the best of their knowledge and belief. As determined by local policy, review/coordination through requirements activity management channels will be documented. (Block 8 of AFMC Form 551--use supplemental routing/ coordination sheet as necessary).

4.5.3.10. A description of the type of contract, share and ceiling arrangements (when applicable), and a description of the cost and schedule risk (Block 9 of AFMC Form 551).

4.5.3.11. A determination by the contracting officer that the anticipated cost to the Government will be fair and reasonable (Block 10 of AFMC Form 551).

4.5.3.12. A description of synopsis actions (as applicable) and a listing of potential sources, if any, that expressed in writing an interest in the acquisition (Block 11 of AFMC Form 551).

4.5.3.13. Contracting officer certification that the justification is accurate and complete to the best of the contracting officer's knowledge and belief (Block 12 of AFMC Form 551).

**4.6. Coordination and Approval of the J&A.** Upon completion and certification of the requirements activity items on the J&A, the requirements activity initiator will forward the J&A and its attachments through the coordinating officials in the requirements activity (these are designated by local policy). The AFMC Forms 551 has blocks for two coordinations (first and highest levels); additional coordinations should be placed on a supplemental sheet. After the last requirements activity coordination, the J&A is passed with (or following) the PR package to the contracting activity, where it receives additional coordination and approval based on its dollar value. While management review/coordination of the J&A is at local discretion, the approval authority specified in the following paragraphs is a mandatory.

4.6.1. Estimated value less than or equal to \$100,000: Competition Advocate coordination is not required. The J&A accompanies the final "Procurement Action" PR to the contracting activity. The buyer completes the remainder of the J&A, and it is approved by the contracting officer.

4.6.2. Estimated value over \$100,000: The buyer will certify the J&A and forward the J&A for contracting activity coordination. The J&A will then be forwarded to the Competition Advocate for review/approval/return to the buyer if the value is \$1,000,000 or less; or review/ coordination if the value exceeds \$1,000,000.

4.6.3. Estimated value over \$1,000,000: Following coordination, CR will forward the J&A through channels to the designated approving authority, who will return it to the buyer once approved. The designated approving authority is:

4.6.3.1. For Program Executive Officer (PEO) programs or acquisitions in support of PEO programs, the PEO approves the J&A. In certain cases, the PEO may delegate this authority to the Program Director or any individual who meets the criteria at FAR 6.304(a)(3).

4.6.3.2. For Designated Acquisition Commander (DAC) programs or acquisitions in support of DAC programs, the DAC approves the J&A. In certain cases, the DAC may delegate this authority to the Senior Center Contracting Official (SCCO) (see AFFARS Table 5306-I).

4.6.3.3. For Other Contracting, see the guidance in AFMCFARS 5306.304 as supplemented to determine the J&A approving authority.

**4.7. Preparation of Sole Source Justification (SSJ).** As determined by the decision process in 4.4 above, the requirements activity will prepare a SSJ for some sole-source purchases under Small Purchase procedures. Competition policy places emphasis on high dollar acquisitions; therefore, the SSJ will in most cases reflect abbreviated efforts as regards market surveys and so on. The minimum information required on the of SSJ is as follows:

4.7.1. A brief nontechnical description of the item or services required.

4.7.2. A clear concise statement of the facts justifying the sole source contract, such as why only the indicated contractor has the capability to provide the item or service. If the basis for the sole-source buy is urgency, (contracting priority code A, B, C, or D), the SSJ will fully document the circumstances causing the urgency.

4.7.3. A direct statement that the proposed source is the only known source that can satisfy the requirement. Note, however, that this statement in and of itself does not justify the sole-source acquisition--it must also be supported by the above information.

4.7.4. A statement of actions (appropriate to the dollar value) to be taken to avoid the need for sole-source purchase on future acquisitions of this item or service.

**4.8. Processing of the SSJ.** The SSJ will be signed by the initiator. No other coordination is required. It will be included with the initial PR package forwarded to the contracting activity's Advance Synopsis Section. The PCO is the final authority on accepting/rejecting the SSJ. (Note that for Priority "A" PRs, the SSJ serves the dual purpose of justifying both sole-source purchase and internal emergency processing. These SSJs will require additional coordination and approval (see para 8.4.1) to support the internal emergency processing.)

**4.9. Changes to Justification Requirements.** Since the type of justification document, if any, was determined in paragraph 4.4 based on estimates of factors such as the dollar value involved, the actual document prepared may turn out to be insufficient if the assumptions prove to be inaccurate. In some cases the buyer will have sufficient information to press on without the initiator's assistance; in other cases the initiator must prepare the justification. The following guidance applies:

4.9.1. The initiator will prepare justifications required in these cases:

4.9.1.1. Initiator-requested upgrades of routine PRs to urgent (E or R to A, B, C, or D). Depending on the circumstances, either an authority (c)(2) J&A or an SSJ or urgent justification document may be required. The appropriate justification will accompany the PR amendment.

4.9.1.2. Initiator-requested changes to quantities, line item additions, or unit prices which cause the total dollar value of the PR to cross a threshold requiring a more extensive justification. The appropriate justification will accompany the PR amendment.

4.9.2. The buyer will prepare the upgraded justification document when the buyer consolidates individual PRs resulting in a combined dollar value which crosses a justification threshold, or when the PR value is below a threshold but the offer(s) received are above that threshold. However, the PR initiator/technical specialist must provide properly certified information to the buyer if it was not provided with the originally submitted PR.

4.9.3. Other situations will be dealt with on a case by case basis. Centers may develop alternative approaches to the above guidelines.

**4.10. Supporting the Application of Authority (c)(2).** Public law and the FAR allow the purchase of products and services without providing for Full and Open Competition "when the agency's need for the supplies or services is of such an unusual and compelling nature that the Government would be seriously injured unless the agency is permitted to limit the number of sources from which it solicits bids or proposals..." More precisely, "this authority applies in those situations where (1) an unusual and compelling urgency precludes full and open competition, and (2) delay in award of a contract would result in serious injury, financial or other, to the Government."

4.10.1. The terms "unusual and compelling" and "serious injury" are subjective. The DoD FAR Supplement (DFARS) 206.302-2(b) provides a list of examples, including the following:

4.10.1.1. Supplies, services, or construction needed at once because of fire, flood, explosion, or other disaster;

4.10.1.2. Essential equipment or repair needed at once to- (A) comply with orders for a ship; (B) perform the operational mission of an aircraft; or (C) preclude impairment of launch capabilities or mission performance of missiles or missile support equipment.

4.10.1.3. Construction needed at once to preserve a structure or its contents from damage;

4.10.1.4. Purchase requests citing an issue priority designator under DoDD4410.6, Uniform Material Movement and Issue Priority System (UMMIPS), of 4 or higher, or citing "Electronic Warfare QRC Priority".

4.10.2. This authority must be carefully monitored and used with discretion. FAR 6.301(c) states, "Contracting without providing for full and open competition shall not be justified on the basis of (1) a lack of advance planning by the requiring activity or (2) concerns related to the amount of funds

available (e.g., funds will expire) to the agency or activity for the acquisition of supplies or services." Furthermore, the authority may only be applied to the minimum quantity needed to preclude or resolve harm to the Government; and the buying activity is required to "...request offers from as many sources as is practicable under the circumstances." (FAR:6.302-2(c)(2))

4.10.3. The FAR policy and the DFARS examples indicate that certain key elements must be present for application of statutory authority (c)(2).

4.10.3.1. Urgency. The need must be "at once." All acquisitions involve some amount of lead time. If the time remaining before the need date is substantially less than the normal lead time for that item or service, it would be considered to be needed "at once"--that is, the contract must be awarded as quickly as possible. Conversely, if most or all of the normal lead time is available before the need date, there is no "urgency" in this sense.

4.10.3.2. Compelling Need. The need must be substantially related to mission performance of a weapon system, or to prevention of serious financial loss to the Government, or to recovery from damage and loss due to catastrophic events. Actions needed to resolve serious safety problems likewise fall into this arena. The catastrophic events example implicitly includes the weapon system mission support and/or avoidance of financial loss aspects of "compelling." For example, replacement of buildings or spare parts destroyed by a storm can cite this authority based on unforeseen events only if those buildings or items are essential to mission performance.

4.10.3.3. Unusualness. The urgency of the need must be "unusual". Based on the DFARS examples, this means that the urgency of the need must be out of the ordinary. "Unusual," then, equates to urgent and emergency priorities.

4.10.3.4. Benefit. There must be a clear benefit to the Government from use of this authority. Using this authority bypasses the benefits of competition. In fact, this authority is considered the most restrictive on competition because it allows us to effectively shut out any potential new sources and even exclude known sources if circumstances warrant. We must document how the circumstances of the instant buy are such that efforts to maximize competition will not produce a net benefit. Usually, this is expressed in terms of how not using this authority will cause additional serious harm to the Government.

4.10.3.5. No Inappropriate Motives. The application of this authority must not be based on failure to properly plan or on the need to quickly obligate funds and must not be for more than the minimum quantity needed to preclude or resolve the harm to the Government. Even if the other four essential elements are present and documented, if the urgency is due to a failure to properly plan this authority is not appropriate. Also, this authority cannot be used to arbitrarily exclude known sources when it is in fact practicable to request and consider their offers.

4.10.4. The J&A initiator, reviewers, and approving official must confirm that the essential elements are supported in the narrative justification. This must address all five essential areas listed above.

4.10.4.1. URGENCY: Support this by identification of the need date and normal lead time, showing that normal processing will not satisfy the requirement.

4.10.4.2. COMPELLING NEED: Support this by an explanation of the mission impact or financial harm of not having this materiel or service available.

4.10.4.2.1. For supplies and equipment, this should include the following as applicable:

4.10.4.2.1.1. A simple description of the function of the item as related to the weapon system. Refer to the Purchase Request (PR) item description as appropriate. Some items (e.g. tires, gun barrels) need little or no description to understand their function. Avoid technical jargon; use plain English.

4.10.4.2.1.2. A simple description of what capability is lost by not having this item available. Use direct statements of fact. Be sure to distinguish between grounding and non-grounding conditions. For example, "Lack of this item disables the (electronic countermeasures end item), which leaves the aircraft vulnerable to hostile threats." (Don't include too much detail if that would unnecessarily classify the J&A.) Or, "Lack of this item renders the MJ1 Bomb Lift inoperable, which degrades the unit's ability to meet surge sortie generation taskings."

4.10.4.2.1.3. For urgency driven by current and expected field backorders:

4.10.4.2.1.3.1. Describe the current support posture, including as appropriate the number of current backorders in each priority; the number of expected additional backorders during the expected lead time (factor out expected due-ins from all sources, e.g. open contracts and repair, and adjust expected demands as appropriate for anticipated program changes); and a discussion of other efforts underway to resolve the need. For example, "There are currently 18 priority 2, 36 priority 5, and 134 priority 12 backorders for this item. Based on current and anticipated repair, condemnation, and failure rates, a net increase of 15 additional priority 2 backorders is expected prior to delivery under this contract." Include specific data on due-ins and future requirements, repair, etc. in the J&A if anticipated backorders are included in the urgent quantity.

4.10.4.2.1.3.2. If applicable, correlate current/expected backorders to number of weapon systems or end items and number of bases affected. Identify the quantity per application. If more than one, identify (per ES/engineer opinion) the general suitability for cannibalization. For example, "The quantity per application is two, and cannibalization is usually feasible. The 18 current priority 2 backorders equate to 12 aircraft at 10 bases; the 15 expected additional priority 2 backorders will equate to at least 8 and possibly 15 additional aircraft grounded"; or, "The quantity per application is four, but cannibalization is not usually considered feasible. Therefore, each backorder will equate to an additional aircraft grounded."

4.10.4.2.1.3.3. AFMC holds that implementation of the DoD Uniform Materiel Movement and Issue Priority System (UMMIPS) and Not Mission Capable-Supply (NMCS) policies provides sufficient safeguards to ensure that any valid priority 1 through 4 or NMCS field backorder by definition is incontestable evidence of "serious harm to the Government." This is based on the fact that only units with combat or early-deployment/ combat readiness taskings (FAD I, II, or III) may use these priorities; and then only when lack of the item means they cannot perform their mission (priority 1, 2, or 3) or they are engaged in combat or extremely sensitive missions and the mission is impaired (priority 4). AFMC recognizes that the harm is largely intangible. However, the basic concept is that weapon systems are acquired to first establish a deterrent against any possible aggression and second to provide the capability to defeat aggressors should deterrence fail. Any loss of a weapon system's mission capability degrades the deterrent--simultaneously increasing the potential for aggression while decreasing

our ability to overcome it. Therefore, when priority 1-4 or NMCS backorders are cited, the discussion required by the above paragraphs is sufficient detail to describe the "specific extent and nature of the harm to the Government" required by AFMCFARS 6.302-2(b). There is no requirement to quantify the loss of deterrence or decreased mission effectiveness.

4.10.4.2.1.3.4. When supplies or equipment are urgently needed for other requirements not based on field backorders, the compelling nature must be supported as above. However, lacking the safeguards in the UMMIPS and NMCS policies, the J&A initiator must clearly document the harm to the Government. When weapon systems or essential support equipment are involved, the concepts above apply. The discussion may include such factors as direct financial costs (i.e., work stoppage); exposure of the Government to civil liability due to safety hazards; potential loss of life or limb; etc.

4.10.4.2.2. For services (repair, modification, engineering, and so on), support the compelling aspect with the following factors as appropriate:

4.10.4.2.2.1. Describe in simple terms what is being purchased, including the end item and weapon system being supported (reference the PR item description and supplement as necessary).

4.10.4.2.2.2. Describe the impact of not having the service performed. Examples include:

4.10.4.2.2.2.1. Lack of repair coverage for essential spares will cause (number) grounding incidents per quarter beginning in (FY/quarter).

4.10.4.2.2.2.2. (Item/system/etc.) has experienced a sudden increase in condemnations (provide supporting data). Lack of this reliability improvement engineering study will prevent any definitive corrective action and force the Government to rely on new procurement as the only solution (provide estimated cost).

4.10.4.2.2.2.3. Periodic inspections (date, time period, etc) have revealed unexpected deterioration of the (item/system/etc.). Affected aircraft are under flight restrictions (describe in terms of mission impact/harm) until the problem is resolved. This engineering study is the necessary first step in developing the solution.

4.10.4.2.2.2.4. (As a follow-on to the previous sample): Periodic inspections (date, time period, etc) have revealed unexpected deterioration of the (item/system/etc.). Affected aircraft are under flight restrictions (describe in terms of mission impact/harm) until the problem is resolved. An emergency engineering study (date, contract number, etc) developed this modification program as the corrective action.

4.10.4.2.2.2.5. If the service correlates to item back-orders (e.g., contract repair services), include such information as is applicable.

4.10.4.3. Unusualness. In most cases, this will be implicitly supported by the narrative supporting the compelling element. Where current and projected field backorders are the basis for the compelling element, the UMMIPS priority satisfies the unusual element as well. For requirements not based on requisitions, ensure that the narrative makes it clear that this buy is in support of Force Activity Designator (FAD) I, II, or III units and without this buy those units will be unable to perform their assigned missions-Urgency of Need Designator "A"; or, for FAD I units, their mission will be impaired-Urgency of Need Designator "B". For example, "Due to the gross weight limita-

tions imposed by the unanticipated structural fatigue, C-141 units will be unable to perform their full assigned mission until this situation is corrected".

4.10.4.4. Benefit. The benefit of using authority 2 (or, the added harm of not using it) must be made clear. Typically, use of statutory authority (c)(2) can allow contract award up to 60 days sooner than not using it. The J&A initiator must relate the expected time savings to a level of benefit to the Government. This may be expressed in terms such as cost savings, mission support improvement, etc. For example, assume that 15 aircraft grounded today represents serious harm. If we project 2 more groundings per month until delivery, we can show that the harm will get worse. Since contracting under statutory authority (c)(2) can result in contract award two months earlier than the alternative, we can justify its use in part by documenting that we expect to see four potential groundings avoided and the others cured two months earlier. Keep in mind that this is relative, and must be addressed on a case-by-case basis. The number of current and expected groundings, overall fleet size, and overall fleet support posture may all factor into this determination.

4.10.4.5. No Inappropriate Motives:

4.10.4.5.1. To avoid misunderstandings about the effectiveness of requirements planning, the initiator should ensure there are no unexplained gaps in the chronological background discussion. Fully account for all time covered in the discussion. For example, "Cracks were discovered during PDM in the summer of 1988, but were considered to be manageable with organic repair. By the summer of 1989, the frequency and severity of the cracks had worsened to the point that in August 1989 an emergency engineering services order was placed under a BOA with the airframe manufacturer. Due to much of the airframe data being unavailable to the Government, only the original manufacturer has the resources to develop an effective fix. This effort was completed in April 1990 with the delivery of a complete modification program proposal including design and proofing of mod kit components. From April through July of 1990, the program was briefed through the appropriate approval channels, being approved on 25 June 1990...." (Note that if the 9-month engineering work effort is not mentioned, it appears that we knew about a problem and did nothing for almost a year.)

4.10.4.5.2. Ensure that the discussion of current and projected minimum requirements supports the quantity being bought as "urgent" or "emergency".

4.10.4.5.3. The discussion in this section in conjunction with information in paragraph 12 of the J&A must support the assertion that as many sources as is practicable will be or have been solicited.

## PART 2

### DEVELOPING AND PROCESSING PR REQUIREMENT DATA FOR ITEM BUYS

#### Chapter 5

#### PREPARING TO INITIATE PRS

**5.1. General.** While the overall PR process involves frequent coordination with specialists in other areas, the individual with the requirement to buy something--the PR initiator--is the focal point for the PR requirement data. Part Two of this instruction describes the process and actions required of the PR initiator for item buys.

**5.2. Alternatives to Purchase Action.** Rather than purchasing an item, we can sometimes save money by obtaining it from other DOD sources. The PR initiator must ensure that none of the following alternatives can satisfy the requirement before initiating a PR.

5.2.1. The most preferred alternative is to make use of materiel already owned by DOD. AFM 67-1, Vol III, Part One, Chapter 9 describes the Air Force Materiel Utilization and Disposition Program. In addition to other aspects of the program, that chapter details policies and procedures for the ALC Materiel Utilization Control Office (MUCO) which may be applied in lieu of new procurement. (Note: The Defense Materiel Utilization and Disposition Program Management System (D067) will automate MUCO functions, allowing the IMS to determine asset availability.) These include:

5.2.1.1. The Defense Materiel Utilization and Disposition Management Program (AFM 67-1, Vol III, Part One, Chap 9, Sect B). This program ensures the fullest use of assets available within DOD, precludes concurrent procurement and disposal of items, precludes repair action when serviceable assets are available at other DOD inventory control points (ICPs), precludes unnecessary backhauling and crosshauling, and provides for timely purging of items from the inventory when it is confirmed that they are in fact not needed. By screening assets being processed through the disposal system, the IMS can retain needed items and delay the need to process a PR for new procurement.

5.2.1.2. The Contractor Inventory Redistribution System (CIRS) (AFM 67-1, Vol III, Part One, Chap 9, Sect G) takes advantage of items left over at contractors' plants upon termination, completion, expiration, or change of a contract. These items, having been paid for as part of the contract, belong to the government. By screening the items identified in this program, the IMS can obtain needed items without generating a PR and spending money on new procurement.

5.2.1.3. Other service inventory control point (ICP) screening under the Interservice Supply Support Procedures (ISSP) (AFM 67-1, Vol III, Part One, Chap 9). AFMC-managed items which are coded as being used by other services may be on-hand at those ICPs. If the balance at the other ICP exceeds their approved force acquisition objective (AFAO), the extra items may be requested to satisfy part or all of the current buy requirement.

5.2.2. Repurchase of surplus materiel from surplus dealers is another alternative to new manufacture. The acceptability of surplus materiel is a technical judgment, and procedures are in Part Three.



5.2.3. Local manufacture, using organic fabrication capabilities, is at times an economical alternative to buying the item from a commercial source. See paragraph 5.5 for more detail.

**5.3. Procedures-DRMO/Contractor Materiel.** Screening of property passing through the Defense Reutilization and Marketing Office (DRMO) system and at contractor facilities is primarily a "push" tasking, where the IMS receives notification when such property is available. This is independent of the requirements systems buy notices. However, since only certain categories of materiel (e.g., serviceable or reparable) are identified, there may be occasions when "pull" screening is appropriate. For example, in an urgent buy situation the IMS may request screening of all assets (including condemned carcasses) if it appears that a normally unreparable carcass can be salvaged and made serviceable before a new buy can be delivered. The IMS accomplishes this screening by querying the Interrogation Requirements Information System (IRIS) at the Defense Reutilization and Marketing Service (DRMS), Battle Creek, MI. While no certification of this action is required on the PR, the IMS should remain aware of this alternative to new procurement.

**5.4. Procedures-Other Service ICP Screening.** Interservice Supply Support Program (ISSP) screening is a "pull" system, in which the IMS who needs an item requests the interrogation of the other inventory control points. It applies only to recoverable and equipment items. Upon receipt of an initial requirements computation showing a probable buy, the IMS will determine if the item is coded as multi-used with other service inventory control points (ICPs) having stock/store/issue authority (indicated by a Nonconsumable Item Materiel Support Code (NIMSC) of 1, 2, 3, 4, 8, 9, or 0). The IMS will contact appropriate IMSs in the other services to request ISSP screening of any item projected for buy coded with one of these NIMSCs. The IMS assigns a locally-controlled "ISSP Document Number" to the interrogation. If assets are available at another ICP, the IMS will submit a MILSTRIP requisition citing the ISSP Document Number to satisfy as much of the scrubbed buy requirement as possible. If the search is negative, or if only part of the requirement can be satisfied, the IMS will place the remainder of the requirement on PR. The IMS will annotate the requirements computation with a note stating "ISSP Doc# \_\_\_\_\_ applies" to certify that screening was accomplished and provide a future audit trail. Absence of this note indicates that no screening was done.

**5.5. Depot Manufacturing Screening.** Whether or not an item is suitable for "depot manufacture" (local, organic, in-house) is a judgment based on technical, economic, and support factors. If depot manufacturing might be a possibility, the IMS should refer to AFR 66-7, *Depot Maintenance Posture Planning and Workload Management*, to determine if the requirement falls within current policies and guidelines.

## Chapter 6

### INITIATING PURCHASE REQUESTS

**6.1. General.** Chapters 6-10 define the steps the PR initiator must complete in order to initiate a PR. There are several formats of PRs (see Chapter 2). These instructions pertain directly to the manual AFMC Form 36. Tables at the end of each chapter provide a cross-reference to the corresponding action or input for the J023 mechanized PR. These instructions reference each input data element by a precise name. The AFMC Command Data Dictionary provides exact definitions. (Note that block numbers on the J023 Form 306 mechanized PR do not match block numbers on the AFMC Form 36.)

**6.2. PR Header Data.** The PR initiator enters these data elements in blocks 1-7 of the AFMC Form 36.

6.2.1. Procuring Activity (Block 1). Enter the Purchasing Office Identifier.

6.2.2. Type PR (Block 2). Enter the Type of PR or MIPR Code.

6.2.3. Priority (Block 3). Enter the PR or MIPR Priority Code.

6.2.4. Date Prepared (Block 4). Enter the PR or MIPR Date.

6.2.5. PR Number (Block 5). Enter the PR or MIPR Number. Each center will establish a control system to ensure that every PR and MIPR has a unique number.

6.2.6. Amendment Number (Block 6). Enter the PR or MIPR Amendment Number. If this is the original (basic) PR, enter "00". If this is an amendment, enter "01" for the first amendment, "02" for the second, etc.

6.2.7. Codes (Block 7). Enter certain mandatory and optional codes which apply to this PR. The following codes are AFMC standard definitions which will be assigned and used at all ALCs. ALCs may also define, assign, and use local codes as needed. To enter a code in block 7, enter the code acronym (e.g., "DMD:") followed by the appropriate data.

6.2.7.1. Mandatory codes: the following codes will be assigned by local management and entered on all PRs.

6.2.7.1.1. Division Manager Designator (DMD).

6.2.7.1.2. Type Requirement Code (Type Rqmt).

6.2.7.1.3. Materiel Management Aggregation Code (MMAC).

6.2.7.1.4. Product Directorate Code (PDC).

6.2.7.2. Optional codes: The indicated OPRs input the following codes into J023 for each item processed through the J023 system. IMSs preparing manual PRs for such items must enter the Item Marking Code and may enter the other codes in block 7. For manual PRs with more than one line item, the IMS must clearly indicate the applicable line item(s) for the IMC(s) listed.

6.2.7.2.1. Item Marking Code (IMC)-Screening technician.

6.2.7.2.2. Inspection and Acceptance Code (I&A)-Quality Assurance Specialist.

6.2.7.2.3. Contractor Quality Requirement Code (CQR)-Quality Assurance Specialist.

6.2.7.2.4. Life Support Code (LS)-IMS.

6.2.7.2.5. Amended Shipping Instruction Indicator (ASI)-IMS.

**6.3. Special Instructions-Item Marking Code.** The use of the J023 IMC on manual PRs allows the cancellation of the former AFLC Form 53, Item Marking Requirements. The following guidance clarifies the intended use of this code:

6.3.1. IMC "1" invokes MIL-STD-129/ASTM-D-3951 package/container marking and MIL-STD-130 item marking as reflected in the Automated Contract Preparation System (ACPS) D-430 clause with paragraphs D430C and D430F (ACPS menu AZ(7)). It does not apply to shelf-life controlled items.

6.3.2. IMC "2" invokes MIL-STD-129/ASTM-D-3951 package/container marking and MIL-STD-841 item marking as reflected in the ACPS D-430 clause with D430D and D430F (ACPS menu AZ(8)). It applies only to propulsion system parts fabricated from high-temperature alloys. It does not apply to shelf-life controlled items.

6.3.3. IMC "3" invokes MIL-STD-129/ASTM-D-3951 and MIL-STD-130 (as does IMC "1") with the addition of shelf-life provisions as reflected in the ACPS D-430 clause with D430C, D430F, and D430G (ACPS menu AZ(9)).

6.3.4. IMC "4" invokes MIL-STD-129/ASTM-D-3951 for package/container marking but indicates that special item marking instructions will be found in the Technical Requirements Package (see chap 17) or other PR attachments. Shelf life provisions apply. This IMC is reflected in the ACPS D-430 clause with D430E, D430F, and D430G (ACPS menu AZ(16)).

6.3.5. IMC "5" invokes MIL-STD-129/ASTM-D-3951 for package/container marking but indicates that special item marking instructions will be found in the Technical Requirements Package (see chap 17) or other PR attachments. Shelf life provisions do not apply. This IMC is reflected in the ACPS D-430 clause with D430E and D430F (ACPS menu AZ(10)).

**Table 6.1. PR Header Data Elements.**

Para	Element	CDD Number	J023/KEYPLUS	J023/KEYPLUS
			Part#	Column
6.2.1	Purchasing Office Code	*CDD0612718	system	
6.2.3	Type of PR or MIPR Code	*CDD0603807	system	
6.2.3	PR or MIPR Priority Code	*CDD0614684	III	41
6.2.4	PR Date	CDD0632609	system	
6.2.5	PR or MIPR Number	*CDD0617493	II	23-35
6.2.6	Amendment Nr	*CDD0603537	system	
6.2.7	Division Mgr Designator	*CDD0617454	I	5-7
6.2.7	Type Requirement Code	*CDD0603808	n/a	
6.2.7	Materiel Mgt Aggregation Code	*CDD0612702	I	21-22
6.2.7	Item Marking Code	*CDD0610302	II	52
6.2.7	Inspection and Acceptance Code	*CDD0612726	II	51
6.2.7	Contract Quality Requirement Code	*CDD0610306	II	58
6.2.7	Life Support Code	*CDD0610305	II	57

## Chapter 7

### PR LINE ITEM DETAIL AND ACQUISITION CONSIDERATIONS FOR ITEM BUYS

**7.1. General.** This chapter tells how to define and document the "what it is" of the purchase request. The PR initiator enters this information in blocks 8 and 9 of the AFMC Form 36. J023 uses data input by the requestor and data from its files to prepare the AFMC Form 306. Initiators using the manual AFMC Form 36 for item buys will enter data in the same format as presented by the J023 AFMC Form 306.

**7.2. PR Line Item Structure.** We must be able to uniquely identify and track different requirements which may be on the same PR. To allow this, the PR initiator must assign a different line item or subline item number to each requirement which is unique in (1) what it is, or (2) the funds to pay for it. The PR initiator may also break out a requirement into separate line items or sublines to clarify delivery information (destination and/or schedule). Generally, use subline items instead of separate line items when there is some relationship among the items (e.g., different funds or priorities for the same NSN; or data, support equipment, and other requirements in support of a modification line item). Number line items with a four-digit number beginning with 0001; number subline items with a two-digit alpha beginning with "AA" through "AZ", "BA" through "BZ", etc.

**7.3. PR Line Item Data.** The PR initiator will use Block 8 to provide descriptive information for each item or service to be contracted. Although Block 8 is subdivided into columns A through G, additional data may be required which does not fall into one of the column headings. Block 8 may contain multiple line items and/or sub-line items. Place additional data which applies only to a specific line or sub-line item immediately following that item. Place additional data which applies to more than one item immediately following the last item and preface it with a note indicating to which items it applies.

7.3.1. Purpose Statement: If this is an amendment of any type of PR, enter Remarks Text across the top of block 8 to briefly describe the purpose of this PR.

7.3.2. Column A: Item Number. Enter the PR or MIPR Line Item Number. If this is a subline item, enter the parent line item number followed by the PR or MIPR Subline Item Number.

7.3.3. Column B: Description. The description provides the buyer a concise summary of the item to be acquired. The buyer uses this information to prepare the synopsis, evaluate the offers, and so on. The description will contain the following elements as applicable.

7.3.3.1. Enter the National Stock Number (NSN), and Material Management Aggregation Code (MMAC). Use the desired NSN on the PR; if interchangeable and substitute (I&S) NSNs apply, either list those NSNs on the PR or in separate instructions to the buyer. Note that the contract award will reflect the NSN of the specific item being bought.

7.3.3.1.1. If any of a range of items will satisfy the requirement, a generic stock number may be used (see Acquisition Advice Code "W"). The contract award will reflect the actual NSN of the item being bought. When a generic stock number is used, a special note to the buyer is required (see para 7.3.9.4 and 7.3.9.5).

7.3.3.1.2. If the item does not have a catalogued NSN, use the "K" (kit number), "NC" (new item NSN requested), or "ND" (one-time local NSN) number and provide supplemental infor-

mation to identify the item (e.g., CAGE and part number per (d) below). "NC" numbers may require a special note to the buyer (see para 7.3.9.5).

7.3.3.2. Enter the Nomenclature Text.

7.3.3.3. Use additional text to indicate the next higher assembly, end item, project, program, etc. for which the item will be used. Note that such information which pertains to all buys of this item may be recorded in the Item Description field for J023 PRs. If using J023, information unique to this buy may be placed in the Notes to Buyer field and continued on a separate attachment if necessary.

7.3.3.3.1. For undefinitized requirements, describe the requirement with reference to applicable documents (e.g., "Spares and repair parts for line item 1 per MIL-STD-1388-2 and MIL-STD-1561). Remember to use separate lines or sublines if different funds apply.

7.3.3.3.2. For provisioning support line items, cite the applicable provisioning document.

7.3.3.4. For any physical deliverable, enter the Quantity Unit Pack Code.

7.3.3.5. Enter the J041 system's Card Code (CC) which pertains to this line item.

7.3.3.6. If the Card Code is LA or LK, indicate the Item Manager Quantity (IMQ)-enter "IMQ=000" if none of the quantity is coming to the item manager account. If the Card Code is LD (line item amendment), enter the IMQ only if it is being changed.

7.3.3.7. Enter the PR or MIPR Type Line Item Code (TLI).

7.3.3.8. Enter the Fund Code.

7.3.3.9. If the line item is a deliverable item of supply on a J023 PR, enter the Item Use Code.

7.3.3.10. When a stock-numbered line item is for non-programmed FMS requirements (that is, customers not covered by a Cooperative Logistics Supply Support Agreement (CLSSA)) or other non-repetitive requirements, enter the Requirements Computation Suppression Code (RCSC) of "S". (If entered in error, PR/MIPR Control may input an "LC" transaction with RCSC = "X" to cancel the suppression.) Note that RCSC "S" will suppress due-in overlay to the requirements system, but the AFMC Form 339, *Due-In Assets Status Record*, will still reflect the due-in.

7.3.3.11. For every part number, indicate the Commercial and Government Entity (CAGE) Code of its original design activity. (Part Numbers without an associated CAGE are meaningless.)

7.3.4. Column C: AMC/AMSC. For stock-listed consumables, repairable spares, and equipment items, enter the most current Acquisition Method Code/Acquisition Method Suffix Code (AMC/AMSC). The PR initiator will obtain this data from the most\_recent breakout screening (see Part Three, Chapter 12). If the current code will expire within 120 days of PR initiation, the PR initiator will ask the supporting breakout screening function to provide an immediate-buy limited screening (see para 12.2.2).

7.3.5. Column D: Quantity. Enter the PR or MIPR Line Item Quantity. Indicate only the actual delivery requirement for this line item. Indicate additional quantities such as options, quantity discount quantities, etc separately (see para 7.9 through 7.13).

7.3.6. Column E: Unit. Enter the Unit of Issue Code. For items which have a non-definitive unit of issue (e.g., barrel, drum, roll) include a note providing a quantitative expression (e.g., 20-gallon barrel)

7.3.7. Column F: Estimated Unit Price. Enter the Unit Price.

7.3.8. Column G: Estimated Total Price. Enter the PR/MIPR Line Item Total Price.

7.3.9. Additional Information and Notes to the Buyer: When needed for clarity or as required below, the initiator will place additional information and notes to the buyer in block 8 following and separated from the last line or sub-line item. Alternatively, these remarks may be placed in block 12 (see para 8.9). Generally this information will apply to all line items on the PR (line item specific notes should be grouped following the applicable line item). Notes which apply to some but not all line items should specify the applicable line items. Use sound judgment in laying out the information—the objective is clear communication with the buyer.

7.3.9.1. For D062 SMGC "P" and "M" items, High Intensity items, and all SMGC "T" urgent/emergency buy PRs, enter remarks stating "Requires Revalidation Prior to Contract Award". This will cause the buyer to solicit for the incremental pricing and ask the IMS to revalidate the quantity prior to contract award.

7.3.9.2. Enter "Line item \_\_\_\_ is the MEQ" for the Mission Essential Quantity (MEQ) line item if you want the buyer to apply the AFMC Insurance Policy (see chapter 10). Enter the note to the buyer shown in para 10.2.6.

7.3.9.3. Enter "VIQ +\_\_%/-\_\_%" if a variation in quantity is permitted (see paragraph 7.6).

7.3.9.4. If a generic stock number was used, enter the following statement: "Stock number is for authorization and solicitation purposes only, and is not to be cited on any contract. If award is made to a source identified in this PR, use the NSN indicated for that source. If award is to be made to a new source, contact the PR initiator for assignment of an NC stock number."

7.3.9.5. If an NC number was used (or a generic number which is then converted to an NC number), and the requirements do not meet the criteria for waiver in AFMCM 72-2, *Cataloging and Standardization*, Chapter 14, indicate "Item will not be shipped prior to assignment of an NSN".

7.3.9.6. If quantity discount procedures apply, enter "QDP: Also solicit for quantities of \_\_\_\_\_", entering the desired quantity range(s). Also enter the Annual Demand Rate (ADR). Determine the range(s) using procedures in the applicable requirements policy regulations. If other types of Multiple Year Contracts may be appropriate, QDP information should be shown on the AFMC Form 338 (see para 7.11).

7.3.9.7. If the quantity shown in column D is a D062-computed minimum buy, show the actual quantity needed (AQN) by entering "Minimum buy-AQN = \_\_\_\_\_". (See para 7.5.)

**7.4. Total Cost (Block 9).** Enter the PR/MIPR Total Cost, the sum of all line item totals in block 8, column G.

**7.5. Minimum Buy Quantities.** Due to the administrative costs of processing a PR and awarding a contract, requirements policy for consumable items requires that economic order quantities be established. However, at times there is a pressing need to buy an item, and procurement cost for the quantity actually needed is less than the ALC's administrative cost for small purchases ("small purchases" for consumable items are defined as purchases less than \$25,000). When this happens, the system adjusts the quantity upward to the lesser of the small purchase administrative cost or the maximum retention level for the item and flags it as a minimum buy. The PR initiator will include the remark in para 7.3.9.7 as a note to the

buyer. This remark tells the buyer to notify the PR initiator if the quoted prices are higher than estimated in column F. The PR initiator will recompute the buy requirement and submit an amendment if necessary to adjust the quantity (see chap 25).

**7.6. Variation in Quantity (VIQ) Provisions.** In the course of manufacturing and shipping items, there are opportunities for some to become lost or damaged. There may also be manufacturing underruns where the producer has underestimated the amount of material needed, or overruns where the manufacturer has overestimated the scrap rate. When the delivered quantity shortage is a small percentage of the total buy quantity, it may be cost-prohibitive for the vendor to produce the few missing items. Government insistence on total buy quantity delivery in such cases often leads only to longstanding contract delinquencies. Likewise, a slight overshipment can waste Government time and funds if we must renegotiate the contract to resolve the difference. To avoid this, buyers may insert the VIQ clause in fixed-price supply solicitations/contracts authorizing acceptance of a variation in quantity. Generally, VIQs are not appropriate for commercial-type items, especially those under continuous production. On the other hand, where a VIQ is appropriate the lack of a VIQ in the solicitation/contract will drive the price up because the contractor must produce enough "excess" to ensure the required quantity can be delivered. Some contractors will ask for a VIQ, even if not on the solicitation. By advising the buyer up front, the IMS can speed the process along. As a general rule, buyers will negotiate the best combination of price and small VIQ. Buyers may not negotiate a VIQ larger than specifically authorized by the IMS.

7.6.1. If the nature of the item being purchased is such that the loading, shipping, packing, or manufacturing processes may result in a quantity variation at delivery, the IMS should include the statement "VIQ -xx%" in the Notes to the Buyer on the PR. Normally, a variation of -5% is reasonable, although as much as -10% may be requested if supported by prior experience on this or similar items. Positive variations up to +10% are also permissible when funds are available to pay for the additional items which may be delivered and billed.

7.6.2. Note that J023 program logic automatically assigns VIQs for items with unit prices of \$100 or less. If the buy quantity is greater than 1000, a VIQ of -1% is assigned; for 501 to 1000, -3%; for 100 to 500, -5%. If these variations exceed what the IMS can accept, the IMS must place specific instructions to the buyer to override the program logic. Likewise, if a wider variation is acceptable to the IMS, the IMS should so state on the PR. If the IMS places no VIQ instructions on a PR for an item with a unit price of \$100 or less, the IMS is tacitly accepting the J023 default VIQs.

7.6.3. If funds are readily available and the IMS authorizes a positive variation, funds managers must remain aware of the possible liability. Typically, contractors will ship as many units as they will get paid for. Therefore, when funding is scarce, PR initiators should avoid use of positive variations.

7.6.4. Initiators should avoid the application of VIQ provisions to requirements for an absolute quantity (e.g., mod kits for a specified number of aircraft).

**7.7. Consolidation of Requirements.** The administrative costs of processing a PR make it uneconomical to prepare numerous low-dollar purchases. Consolidation of requirements onto a single PR reduces administrative costs and increases the cost savings associated with quantity price breaks, as well as attracting more bidders. There are certain dangers of consolidation, though, and the following guidance is intended to maximize the benefits while minimizing the risk to mission support.

7.7.1. Level I Consolidation: The IMS must place all currently known requirements for a given NSN and in the same priority group (emergency, urgent, or routine-see paragraph 8.3) on one PR. This may



include Peacetime Operating Stock (POS), War Reserve Materiel (WRM), and Other WRM (OWRM); and USAF and non-USAF requirements. When different categories as shown above are consolidated, each is shown as a separate line or subline item, with appropriate delivery schedules, fund cites, and so on indicated.

7.7.2. Level II Consolidation: The IMS should consolidate as much as is practicable all Level I-consolidated requirements which he or she manages which have the same FSC or MMAC; and which have an AMC of 0, 3, 4, or 5 assigned; and which have the same Commercial and Government Entity (CAGE) code assigned; and which are assigned for procurement by the same activity. Level II consolidation can pose risks to mission support if problems develop on one NSN which hold up actions on the others. The IMS will apply good judgment in determining if the risk outweighs the benefits.

7.7.3. Level III Consolidation: Two or more IMSs may consolidate Level I and II consolidated purchases. The same risks apply here, and good judgment must be used.

7.7.4. Level IV Consolidation: The buyer may consolidate multiple PRs onto a single contract.

7.7.5. Priority E requirements may be held up to a maximum of 15 days to see if consolidation possibilities appear. Priority R requirements may be held up to a maximum of 30 days for consolidation.

7.7.6. Consolidated item(s) which require a Justification and Approval (J&A)/Sole Source Justification (SSJ) (see chapter 4) due to being noncompetitive (AMC 0, 3, 4, or 5) will be justified as a group when the reason(s) are substantially the same. If different reasons apply to different line items, subsections of the J&A will be tailored to the individual specifics. In any case, line items tagged for Emergency/Urgent processing will have that need fully justified.

7.7.7. If Level I, II, or III consolidation results in the need for an SSJ or J&A, or higher level approval of the J&A, the involved IMS(s) will satisfy that requirement. If Level IV consolidation results in similar requirements, the buyer is responsible for combining the individual J&As or requesting initiation if the individual PRs did not originally require J&As. Locally developed addendums to the individual item SSJs or J&As may be used for this purpose.

**7.8. Family of Items Consolidation.** When several items share a given manufacturing process and are suitable for Full and Open Competition (see chapter 9), a special type of consolidation may be applied to achieve substantial cost savings from lower unit prices and reduced lead time quantity requirements. Upon identifying such items (for example, various lengths and configurations of aluminum tubing; various sizes of electrical wire harnesses; etc.), the involved IMSs can coordinate outside of the normal buy cycle to assemble a consolidated PR with projected 1, 2, or 3-year requirements data. This PR will be the basis for an indefinite delivery/indefinite quantity type contract (see para 7.9.1.2). If appropriate, multiple-year contracting techniques (options, etc) may also be applied. The end result is a single large solicitation and contract which should result in greater interest and price competition among the potential suppliers; and an ordering type contract for many items which will substantially reduce the paperwork and processing time for future buys. Such families of items are also good candidates for development of a Military Specification or adoption of a Commercial Specification and development of item identification within those specifications.

**7.9. Multiple Year Contracting (MYC).** MYC is a blanket term covering several different contract types and techniques which result in a single contractual instrument being used to acquire more than one year's requirements. The benefits of using MYC are tremendous, including reduced workload on both

requirements and contracting staffs, reduced paperwork, increased competition (more bidders interested because the contracts are larger), more price breaks and discounts due to the larger quantities on the contracts and due to the increased competition, reduced lead time when orders are placed, and improved contractor performance due to the inherent stability that comes with a long-term contract. MYC should be considered for every acquisition and applied in every case where appropriate and possible. (Note: MYC includes Multiyear Procurement (MYP) contracts as well as other multiple year techniques.)

7.9.1. The types of MYC contracts are as follows:

7.9.1.1. Classic and Expanded MYP contracts, which are primarily aimed at large weapon system acquisitions. As these contracts must specify quantities, prices, and delivery schedules, and usually require the government to pay a substantial cancellation penalty in the event the Government wants to cancel the buy, they are generally appropriate only for major system buys managed by AFMC Product Centers. FAR Part 17 provides detailed guidance.

7.9.1.2. Indefinite-delivery contract with or without options: A requirements, definite-quantity, or an indefinite-quantity contract (IQ) may be established with options to extend the contract term. Alternatively, the basic contract can be set up with multiple-year ordering periods. These types are the most preferred because once established the deliveries may be requested using manual delivery orders or J023 Automated Delivery Order (ADO) procedures. Therefore, these arrangements provide maximum reduction of workload during the life of the contract. In establishing these types of contracts, the buyers have tremendous flexibility. However, it is absolutely essential that the IMS accurately describe the nature of the item and requirement. The buyer, if fully aware of factors such as relative demand instability, can use the most appropriate contractual vehicle to protect both the government and the vendor from those possibilities.

7.9.1.3. Quantity Discount Procedures (QDP): Both D041 and D062 items may be eligible for QDP buys. QDP recognize that contractors will frequently give a price break for larger quantity buys, and that many times the price break plus the savings in administrative paperwork is large enough that it offsets the costs of carrying the larger quantity on inventory. If the decision process as outlined in the requirements policy regulations shows the IMS that a QDP buy is appropriate and sufficient funding is available, the IMS will indicate in the PR the firm requirement and the QDP levels for which prices should be solicited. QDP contracts are firm-fixed-price for the fixed quantity. Although the contract term is not multiple-year, the quantity acquired using QDP usually is more than one year's requirement and therefore QDP is considered a form of MYC.

7.9.1.4. Options can be included with the above techniques. As the exercise of the option is merely extending the terms of the existing contract, the coordination is minimal and the process relatively simple.

7.9.2. Use of MYC does not conflict with competition efforts. However, competition requirements do impose certain constraints on MYC usage. The following rules apply:

7.9.2.1. Justifications for use of Other Than Full and Open Competition (OTF&OC) procedures will be based on the total estimated maximum dollar value, which is the sum of the basic contract, any options, the maximum value of all orders which may be placed, etc. This is an absolute requirement--if the resulting contract allows purchase of up to a certain dollar value under OTF&OC procedures, the IMS must ensure that the total dollar value was properly justified.

7.9.2.2. If the item's noncompetitive status is expected to improve (e.g., data is being acquired), the term of the MYC will not extend beyond the point where it is expected to be possible to award

a competitive contract. For these items, the J&A must clearly support the contract term. In cases of relative uncertainty about when improved competition will be possible, the only MYC type which is acceptable is a one-year IQ with options. The item manager will verify the current competitive status by reviewing the current AFMC Form 761, and checking source development efforts prior to calling for exercise of each option. If the status has not changed, the option may be exercised without restriction. If the item is now eligible for Full and Open Competition, the option may be exercised only if there is a non-deferrable instant or projected buy requirement and there is insufficient time prior to the need date to process this buy competitively. In these cases, the item manager will provide the buyer with written documentation supporting the application of the original J&A to this buy, and the buyer will annotate the determinations in the contract file. The instant buy quantity will be ordered against the IQ contract option, as will additional future requirements necessary to satisfy the minimum buy quantity on the option. The item manager will initiate a new PR as needed for a competitive MY contract to ensure uninterrupted coverage upon completion of the option.

7.9.2.3. When the MYC contract is awarded competitively, all purchases on the contract and any of its options, orders, etc. will be considered as also being competitive.

**7.10. Effect of MYC on ALT and PLT.** Administrative Lead Time (ALT) (and in some cases Production Lead Time (PLT)) for orders placed against an MYC may be substantially less than ALT/PLT for single-buy contracts. If this is not compensated for by the IMS and buyer, delivery may occur much earlier than needed, resulting in a net growth in the on-hand inventory. Congress and DOD have placed maximum emphasis on reducing inventory. The following actions will prevent unwarranted inventory growth resulting from early MYC deliveries.

7.10.1. D062 IMSs will ensure that the ALT/PLT values in the requirements comp reflect full "new PR/new contract" time. As a result, buy notices for items on current MYC contracts will reflect larger quantities or earlier buy initiation than is needed. Upon receiving such buy notices, the D062 IMS will recompute the buy using locally established standard values for call/ordering ALT. The IMS will use the resulting buy quantity for the PR.

7.10.2. D041 IMSs will use the reduced call/ordering ALT/PLT in the requirements comp per AFMCM 57-4, *Recoverable Consumption Item Requirements System (D041)*, chapter 22. No adjustment to order quantity or timing will be needed, although the IMS must remember to initiate a PR for a new MYC contract "full" lead time ahead of the current contract's expiration to avoid a break in coverage.

7.10.3. When changing to an MYC from a conventional single-buy contract, and the historical ALT (currently reflected in the computation) exceeds the expected future call/order ALT by more than 12 months, the second year buy under the MYC will likely be deferred into the third year. For these special cases, the IMS will show zero as the second year buy and explain in the initiator's remarks section. When the ALT reduction is less than 12 months, the second year buy will occur but will be delayed by the requirements system. The IMS will indicate in the remarks the expected ALT reduction/buy delay so that the buyer can so advise the offerors.

**7.11. Requesting MYC (AFMC Form 338).** The AFMC Form 338 (Figure 7.1) allows the IMS to indicate those items which are good candidates for one of the MYC techniques and to provide the additional information needed by the buyer. Use of the AFMC Form 338 is optional at the discretion of the IMS.

7.11.1. The following types of items/buys are generally considered not to be candidates for MYC:

7.11.1.1. Low density, numeric stockage objective, minimum buy, and insurance buy PRs.

7.11.1.2. PRs for items with a total 3-year buy requirement less than \$25,000 and for which fewer than 3 buy notices per year are expected. (The IMS may still complete an AFMC Form 338 for these items if desired).

7.11.1.3. FMS non-standard PRs (AAC="P", MMAC="X"); and FMS direct cite/country-directed sole source when the item's AMC is 1 or 2 (competitive) and there are DOD users.

7.11.1.4. Emergency PRs.

7.11.1.5. Urgent PRs with no routine quantity line item.

7.11.1.6. ND number, NC number, and CAGE/part\_number PRs.

7.11.1.7. Items containing special materials (e.g., precious metals) subject to rapid price fluctuations which would make long-term price forecasting difficult.

7.11.2. The AFMC Form 338 consists of five parts. Parts I, II, and III are filled out by the IMS and Parts IV and V are filled out by the buyer. The purpose of Parts IV and V is to provide feedback from the buyer to the IMS. Local management may waive use of Parts IV and V where collocation of IMSs and buyers allows sufficient direct feedback.

7.11.3. Part I: The IMS should complete all blocks. This is basic identification data, and is self-explanatory.

7.11.4. Part II: Selection criteria include the background factors which need to be highlighted for the buyer. For example, if a somewhat unstable program item is to be solicited for an MYC contract, the buyer must be aware of the possible demand fluctuation. In those cases where the program or design instability is such that MYC would not be to the Government's advantage, the item manager need not initiate the form. When the instability is relatively minor and/or predictable, MYC may be possible. In such cases, the IMS would check the "unstable program" box and provide more detail in the initiator remarks section.

7.11.4.1. Unstable program: explain a "yes" response in section III remarks. A stable program is one which is not being increased or decreased. Unstable programs may be candidates for MYC if the requirements will exist through the life of the contract and the potential fluctuations or changes can be accommodated within the contract provisions.

7.11.4.2. Unstable design: explain a "yes" response in section III remarks. New items undergoing design changes will not be good candidates for MYC unless the current design's requirements will exist throughout the contract life.

7.11.4.3. Other: check if other factors need to be considered by the buyer, and explain in section III remarks.

7.11.5. Section III: The IMS will complete Section III to ask the buyer to solicit more than the current requirement stated on the face of the PR. This includes QDP buys as well as any of the MYC types. (However, QDP data may be placed on the PR itself if other MYC is inappropriate). Section III is the only place where the projected outyear requirements are listed for the buyer's use. Without this information, no type of MYC can be solicited, assuring the IMS that a new PR and a new contract will be required for the next buy.

7.11.5.1. If quantity discount procedures are being requested, enter the quantities and total dollar amount. The quantities are determined in accordance with the applicable requirements system policy (AFMCM 57-4 or AFMCR 57-6, Vol 1, *Policy and Procedures for Computing Consumable Type Item Requirements*). Also, enter the Annual Demand Rate in Block IV remarks. (Note: when these quantities are shown on the AFMC Form 338, it is not necessary to enter them on the PR itself.)

7.11.5.2. If the item is a candidate for MYC (or, if the IMS wants the buyer to pursue MYC possibilities for less than ideal candidates), the IMS will complete Block III. Enter the three applicable fiscal years in the three blocks below "FY". The labels below D039, D041, and D062 indicate the period/quantity which corresponds. Enter requirements data as follows:

7.11.5.2.1. "Air Force" requirements are those projected requirements in support of USAF, Air Force Reserve (AFRES), and Air National Guard (ANG) customers. This excludes War Reserve Materiel (WRM), which will be indicated in the Other Service/Special Program column.

Figure 7.1. AFMC Form 338, MYC request and Contract Information.

MYCREQUEST AND CONTRACT INFORMATION							
I. REQUIREMENTS INFORMATION							
PURCHASE REQUEST NUMBER		LINE ITEM NUMBER		COMP DATE		NATIONAL STOCK NUMBER	
INITIATOR (Print)				OFFICE SYMBOL	PHONE	MOD DS CODE	CURRENT DATE
TYPE REQUIREMENT <input checked="" type="checkbox"/> DDG (Equipment) <input checked="" type="checkbox"/> DDH (Resource) <input checked="" type="checkbox"/> DDG (EO)							
II. SELECTION CRITERIA (Explain all checks in Initiator's Remarks)							
<input checked="" type="checkbox"/> UNSTABLE PROGRAM <input checked="" type="checkbox"/> UNSTABLE DESIGN <input checked="" type="checkbox"/> OTHER							
III. REQUIREMENTS							
QDP INFO		1st QTY		2nd QTY		3rd QTY	
TY	DDG	DDH	DDG	USAF QTY	FMV QTY	OTHER SERVICES/SPECIAL PROGRAMS	TOTAL QTY
	BUYER	BY	ANNUAL RATE				
	BUDYR	BY	ANNUAL RATE				
	BUDYR + 1 YR	BY	ANNUAL RATE				
T/C 3YR RMT - (EO)		MIN ORDER QTY		MAX ORDER QTY		T/C CONTRACT MAX QTY	
INITIATOR'S REMARKS (JUSTIFY IF NOT)							
IV. CONTRACTING INFORMATION							
CONTRACT NUMBER		CONTRACT OR				CNC NUMBER	
TYPE OF CONTRACT <input checked="" type="checkbox"/> FIXED QTY <input checked="" type="checkbox"/> C/P INDEFINITE DELIVERY <input checked="" type="checkbox"/> TO <input checked="" type="checkbox"/> RMT <input checked="" type="checkbox"/> OPTION							
ORDERING PERIOD							
DELIVERY SCHEDULE							
PRICING AGREEMENTS							
DATE FOR EXERCISE OF OPTION							
MIN ORDER QTY		MAX ORDER QTY		CONTRACT MAX QTY			
V. IF CANDIDATE, REASON WHY NOT MYC (Explain in Buyer's Remarks)							
<input checked="" type="checkbox"/> CONTRACTOR REFUSAL <input checked="" type="checkbox"/> OTHER REASON							
BUYER'S REMARKS							
BUYER (Print)				OFFICE SYMBOL	PHONE	BUYER CODE	CURRENT DATE

AFMC FORM 338, FEB 93 (F-2 PerFORMPRQ)

REPLACES AFMC FORM 338, JUL 92 WHICH IS OBSOLETE

Figure 7.2. AFMC Form 338 (Continued).

<b>PART I - REQUIREMENT INFORMATION</b>	
PR/AMEND NUMBER	Enter PR Number and Amendment Number "00" for basic.
LINE ITEM NUMBER	Enter Line Item Number (you may enter more than one line item if the items are identical).
COMP DATE	Enter date of the requirements computation from which the requirements generated.
NATIONAL STOCK NUMBER	Enter the NSN.
INITIATOR INFORMATION	Self-explanatory.
TYPE OF REQUIREMENT	Check the appropriate box.
<b>PART II - SPECIAL CONSIDERATIONS</b>	
Check if applicable and explain in Initiator's Remarks.	
UNSTABLE PROGRAM	Indicates item requirements are subject to fluctuation.
UNSTABLE DESIGN	Indicates the part, or item or system being supported is being modified.
OTHER	Indicates other factors which warrant the buyer's attention.
<b>PART III - REQUIREMENTS</b>	
CDP INFORMATION	Supply all three quantities. IAW fixed quantity discount procedures.
REQUIREMENTS	Identify current and next two years requirement quantities by appropriate discipline (DCB, DCR, DCG) for AF, FMS, and other Service Special Programs as applicable. <b>NOTE:</b> WRM/CMRM quantities are entered under other Service Special Programs.
TOT 3 YR REQ (REQ)	Total of all requirements for the next three years.
MIN ORDER QTY	Typically, 20% of average BEQ. Explain in Remarks if smaller minimum order quantity is needed.
MAX ORDER QTY	Typically, greater of initial order quantity or 150% of average BEQ. Explain in Remarks if large maximum order quantity is needed.
TOT CONTRACT MAX QTY	<b>NOTE:</b> Average BEQ = Total BEQ divided by contract period. Typically, 150% of average BEQ. Explain in Remarks if large total contract maximum quantity is needed.
<b>PART IV - CONTRACTING INFORMATION</b>	
CONTRACT NUMBER	
CONTRACT OR CAGE NUMBER	Self-explanatory.
TYPE CONTRACT	Check appropriate box. <b>NOTE:</b> If fixed quantity only, no additional information in Part IV is required.
ORDERING PERIOD	Portray the contract's ordering period.
DELIVERY SCHEDULE	Explain the contract's delivery dates.
PRICING INCREMENTS	Provide incremental quantities/prices.
EXERCISE OF OPTION	Give the date for option exercise. If the option contains unusual terms, conditions, or variations, this information can be shown under remarks.
ORDER QUANTITIES	Class of 170 and 171 information.
<b>PART V - REASON WHY NOT M/C</b>	
This area is filled in if the item was identified as M/C or CDP candidate by the IM and Multiple Year Contract was not accomplished.	
BUYER'S REMARKS	Self-explanatory.

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7.11.5.2.2. "FMS" requirements are those programmed or unprogrammed requirements in support of Foreign Military Sales customers which are reasonably expected to occur. Note that there are statutory limitations on the obligation of the US government's funds in support of non-US activity. Therefore, FMS requirements which are only projected cannot be included in any contract which obligates the US to purchase that quantity. However, it makes good business sense to include the expected FMS requirement on an option or indefinite delivery type of contract where the US may (but is not required to) purchase the items.

7.11.5.2.3. "Other Service/Special Program" requirements are those in support of other DOD activities or US customers, as well as Air Force WRM. Identify the nature of these requirements in the Initiator's Remarks block.

7.11.5.2.4. In the Total column, enter the total requirement for each of the three years. If more than three years of MYC coverage is desired, provide the additional detail and justification in the Initiator's Remarks block.

7.11.5.3. By definition, the total of the 3 years' requirements is the Best Estimated Quantity (BEQ). The Average BEQ is the Total BEQ divided by the term of the contract (usually three years). Ordering-type contracts (e.g., requirements or IQ contracts) key on the BEQ for the limitations on the orders to be placed. Unless the IMS has better information, the minimum ordering quantity (the smallest quantity we will ask the contractor to produce as a single order) will be 25% of the average BEQ. The maximum ordering quantity will be either the initial order quantity or 150% of the average BEQ, whichever is greater. The total contract maximum quantity is 150% of the total BEQ. The IMS must carefully consider these values when preparing the form, as they will become contractual limitations. If the demand history of the item indicates erratic demand patterns, a wider minimum/maximum ordering range may be warranted, although such a request may increase the overall cost. The IMS should consult with the buyer to determine the most appropriate quantities when dealing with such items. The IMS will enter those quantities in the appropriate blocks in Section III.

7.11.5.4. The IMS will enter any remarks needed. The intent of the AFMC Form 338 is to clearly communicate the IMS' desires to the buyer. Special circumstances which cannot be reflected elsewhere should be noted here.

7.11.6. Section IV: As required by local procedures, the buyer will indicate the type of contract awarded and other pertinent information in Section IV.

7.11.7. Section V: If a form of MYC was requested by the IMS but a non-MYC contract was awarded, the buyer (as required by local procedures) will indicate the reason(s) in Section V, and complete the identification information at the bottom of the form.

7.11.8. Distribution: The IMS will retain a copy as part of the PR initiation backup file. The original copy will go forward with the purchase request package for coordination. A copy is forwarded with the advance synopsis package. The original goes with the final "Procurement Action" PR. When the contract has been awarded the original is placed in the contract file. If the buyer (per local procedures) annotates Sections IV and V, a completed copy is returned to the IMS.

7.11.9. PR Packages Without an AFMC Form 338. The criteria above mean that a large percentage of PRs will legitimately not include an AFLC Form 338. If the buyer believes that the procurement history indicates that an item with no AFLC Form 338 is in fact a good candidate, the buyer may contact the IMS to clarify the situation. The requirements activity has the final responsibility to determine if



an AFLC Form 338 should be prepared; the buyer makes the final determination of the type of contract to be awarded.

7.11.10. Amendments to AFMC Form 338. Should the outyear requirements forecast change prior to contract award, a new AFLC Form 338 must be prepared and forwarded to the buyer. Telephone coordination is encouraged.

7.11.11. PR Amendments aren't required to add pseudo line items for various forms of MYC. Upon contract award, the buying activity will update J041.

**7.12. Requesting a Requirements Contract.** A requirements-type contract is unique in that it has no minimum buy quantity; instead, it obligates the Government to purchasing all quantities of the covered item(s) from the awarded source during the specified period of coverage. Since there is no minimum buy, it is frequently advantageous to set up a requirements contract when we know that an item will need to be bought sometime during the next year, although the exact quantities or time are not yet known. The risk of a requirements contract is that the Government is bound to that source for the contractual period of time. Therefore, it may be inappropriate to request a requirements contract for items with a history of new source quality problems. While a basic requirements contract may cover more than one year, it generally is better to request a one-year basic with options for the second and third years. Request a requirements contract by submitting a PR as described in this chapter using appropriate purpose statements, Special Stock Class Assignment ("Pseudo") Code, and so on. Prepare an AFMC Form 338 to provide applicable requirements projections and desired minimum/maximum ordering information.

**7.13. Requesting Options.** If contract options are desired, the PR initiator may place the pertinent information (quantities, time periods, destinations, etc.) on the AFMC Form 338 (paragraph 7.11). Alternatively, the PR initiator may use available space in Block 8 of the AFMC Form 36 or a plain bond continuation sheet to provide the option requirements in detail.

**7.14. Line Items for First Article Testing.** When an item's Technical Requirements Package (TRP) establishes a First Article test requirement (see paragraphs 15.13 and 15.14) and specifies contractor testing, the PR initiator must include a line item for the First Article test report. The engineer must consult with the Data Management Officer regarding selection of Data Item Descriptions and the creation of the Contract Data Requirements List for the first article test reports, plans, or other test documents which are required to be deliverable data (see chapter 18). For both contractor-test and Government-test First Articles, if the item(s) is (are) destroyed in testing, an additional line item is required for the First Article quantity. Set up these line items as follows:

7.14.1. Indicate the data (test report) requirement as a data line item (J041 Special Stock Class Assignment "0001"). Show the quantity/unit of issue as "1 Lo", and determine the unit/total price as follows:

7.14.1.1. When only one customer (e.g., USAF or a single FMS country) has requirements supported by this First Article test, enter an estimated cost for the data. Normally, \$50 is a reasonable figure. Enter the applicable funds cite in Block 13 (see Chapter 9).

7.14.1.2. When more than one customer has requirements supported by this First Article test (e.g., a consolidated USAF/FMS PR), enter an estimated unit and total price of \$.01 and a note to the buyer that the line item is not separately priced (NSP), and is to be prorated among the customers based on unit quantities. (The one cent price figure is necessary in order to process the line item

through J023. For manual PRs (AFMC Form 36), the price may indicate zero with the NSP note to the buyer.)

7.14.2. Indicate the First Article quantity as a line item separate from the remainder of the buy quantity, and indicate in the notes to the buyer that it is for First Article destructive (or non-destructive) test. In Block 11 (Ship To/Mark For), reference the AFMC Form 260, *First Article Requirements*, instructions. Determine the estimated unit/total prices as follows:

**Table 7.1. PR Line Item Data Elements.**

			J023/KEYPLUS	J023/KEYPLUS
Para	Element	CDD Number	Part#	Column
7.3.2	PR or MIPR Line Item Number	*CDD0603758	II	36-39
7.3.2	PR or MIPR Subline Item Number	*CDD0603759	N/A	
7.3.3	NSN	*CDD0617554	I	8-20
7.3.3	MMAC	*CDD0612702	I	21-22
7.3.3	Acquisition Advice Code	*CDD0603310	N/A	
7.3.3	Special Stock Class Assignment Code	CDD#####	N/A	
7.3.3	Nomenclature Text	*CDD0625569	SYSTEM(1)	
7.3.3	Quantity Unit Pack Code	*CDD0600671	SYSTEM(1)	
7.3.3	Card Code	CDD0603542	SYSTEM(2)	
7.3.3	Item Manager Quantity	*CDD0612689	N/A	
7.3.3	PR or MIPR Type Line Item Code	*CDD0603879	II	59
7.3.3	Fund Code	*CDD0603295	SYSTEM	
7.3.3	Requirements Comp Suppression Code	*CDD0634177	N/A	
7.3.3	Item Use Code	*CDD0610327	III, IV, V	39
7.3.3	Program Year	*CDD0606021	II	62-63
7.3.3	Budget Prog Activity Code	*CDD0617447	II	64-69
7.3.3	Materiel Program Code	*CDD0606023	II	70-73
7.3.4	Acquisition Method Code	*CDD0605812	II	53
7.3.4	Acq Method Suffix Code	*CDD0603380	II	54
7.3.5	PR or MIPR Line Item Quantity	*CDD0603778	III, IV, V	42-47
7.3.6	Unit of Issue Code	*CDD0603296	II	60-61
7.3.7	Unit Price	CDD#####	II	42-49
7.3.8	PR or MIPR Line Item Price Amount	*CDD0603760	SYSTEM	
7.3.9	Mission Essential Quantity	CDD#####	N/A	
7.4	PR/MIPR Total Cost	CDD#####	SYSTEM	

NOTES:(1) IMSs will file-maintain these data elements in the J023 data files; the system retrieves them when a PR is requested for that NSN.(2) The J023 to J041 interface generates the appropriate Card Codes for PR generation; J023 automated amendment procedures require placing the appropriate card code in columns 3 and 4 of Part I of the KEYPLUS input (see AFMCM 70-101, Chapter 6).

7.14.2.1. When only one customer (e.g., USAF or a single FMS country) has requirements supported by this First Article test, enter the estimated unit and total prices for the item quantity. Enter the applicable funds cite in Block 13 (see Chapter 9).

7.14.2.2. When more than one customer has requirements supported by this First Article test (e.g., a consolidated USAF/FMS PR), enter an estimated unit and total price of \$.01 and a note to the buyer per the data line item instructions above.

7.14.3. Generally, when the First Article quantity is destroyed in testing, it should not be drawn (deducted) from the computed buy quantity. The PR initiator should place the computed buy quantity

on the deliverable line item, and treat the destructive test quantity as an additional requirement. This may only be done, however, if sufficient funding is available.

**7.15. Line Items for Hazardous Materiel.** When the item's TRP indicates that it is or may be hazardous per Fed-Std-313, the PR initiator must include a data line item and associated Contract Data Requirements List (DD Form 1423) (see Chapter 18) for the mandatory Performance Oriented Packaging (POP) test reports. Contact the packaging specialist for assistance if needed. Failure to include this line item at initiation will delay the PR during coordination.

## Chapter 8

### DELIVERY INFORMATION AND OTHER REMARKS FOR ITEM BUYS

**8.1. General.** A central consideration in the acquisition process is the amount of time it will take to define the requirement and establish the contract, how long it will take the contractor to deliver the materiel or begin performance of the service, and how the total of these times compares to when we actually need the materiel or service. The following terms will be used:

8.1.1. Need Date (ND): For materiel, this is the date projected by the requirements system when we expect on-hand assets to reach or drop below established safety levels, or to reach zero if no safety level is established. For D041, this is the first date when a peacetime third short value appears. The ND can equal the current date when backorders exist. For services, the ND is the date on which we need the performance of the service to begin. The PR must state an accurate need date, whether or not it is possible to obtain delivery by that date.

8.1.2. Required Delivery Date (RDD): For materiel, this is the date specified on the contract by which at least ten percent (the first significant delivery quantity) of the quantity on order must be delivered. Because it becomes a contractually binding requirement, the buyer must negotiate a realistic RDD whether or not it satisfies the need date. It is counterproductive to ask potential suppliers to sign a contract with an RDD that they can not possibly meet. Either they will decline to bid, or they will charge premium prices for the overtime they expect to incur. If in spite of this the RDD is still not met, we incur additional costs in managing what is now a delinquent delivery. Note that both the transportation and retail supply functional areas have their own definitions of RDD, which differ from the definition above. Since the RDD is based in part on procurement history data available to the buyer and in part on negotiations between the buyer and the offeror, the PR initiator need not indicate the RDD on the PR.

8.1.3. Administrative Lead Time (ALT): The DOD definition of ALT is:

- ALT begins when an item's wholesale asset level is reduced to the reorder point, or the time at which a purchase request must be initiated to ensure that, at least in theory, the new stock arrives just as the assets on hand reach the safety level.
- ALT ends on the date the contractual instrument is executed.
- ALT includes the time periods required for identification of the requirement to buy; review, approval and documentation of the purchase request; technical data review and documentation; as well as the processing and execution of the contractual instrument. (DODR4140-1, *DOD Material Management Regulation*, Chap 3).

8.1.3.1. ALT is broken down into three segments: Pre-PR, PR Processing, and Contracting Processing.

8.1.3.2. Pre-PR ALT is defined as that period of time beginning when the requirements system calculates a buy requirement for an item and ending when a PR is accepted in PR/MIPR Control for processing. For clarity, these points are further defined as follows:

8.1.3.2.1. For D062 items, Pre-PR ALT begins at the initial buy notice.

8.1.3.2.2. For D041 items, Pre-PR ALT is not applicable. D041 program logic identifies a target PR initiation date, which begins the next ALT segment.

8.1.3.2.3. For D039 items, Pre-PR ALT begins at the 31 March comp date.

8.1.3.2.4. For buy requirements not generated from a requirements computation (i.e., modification programs, services buys, or funded requisitions or MIPRs from other services), Pre-PR ALT is not applicable.

8.1.3.2.5. In all cases, Pre-PR ALT ends when PR/MIPR Control or the J023 system processes the "A" transaction in the J041 system.

8.1.3.3. PR Processing ALT begins when the "A" transaction is processed in J041 by PR/MIPR Control or by the J023 system, and ends when processing is complete and PR/MIPR Control processes the "R" transaction.

8.1.3.4. Contracting Processing ALT begins when PR/MIPR Control processes the "00" milestone transaction in J041, and ends when the contract is distributed.

8.1.4. Production Lead Time (PLT): DOD defines PLT as follows:

- PLT begins on the date that the contractual instrument is executed.
- PLT ends when the material is received. The receiving activity should confirm receipt of delivery to the managing inventory control point in a timely manner. When all material is delivered at the same time, the date of confirmation of receipt of that delivery is the end of PLT. When contractual provisions provide for incremental deliveries based on projected demands or other future requirements, the date of confirmation of the first significant delivery (approximately 10% of the routine contract requirement) is the end of PLT. (DODR4140-1, Chap 3).

8.1.5. Acquisition Lead Time (AQLT): AQLT is the sum in actual elapsed calendar days of ALT and PLT. For internal management purposes, ALC systems have been programmed to track exception codes which may also "stop the clock" under certain conditions. Therefore, segment times may not sum up to the true AQLT.

**8.2. Experienced vs. Projected Lead Times .** Lead times can be considered from two perspectives: what past experience has shown is realistic lead time for an item or service, and what we expect future lead time to be. We can usually predict what the next purchase's lead time will be, if the next purchase will be similar to the past purchase(s). Lacking useful historical data, the next alternative is data for comparable purchases of similar items or services. Lacking that, the best considered judgment of the IMS, ES, engineers, and buyers should be used to project the expected lead time.

8.2.1. At times, an item may fall into a special set of circumstances where a buy is underway (contract awarded but delivery not yet effected) when the next buy notice is generated. The IMS may use the contractor's estimated production time for the active buy plus 15 days for shipment and receipt processing.

8.2.2. IMSs should ensure that accurate lead times are maintained in the requirements computation systems. Lead times play a major role in the quantity or timing of a buy. Understated lead times can cause stock outages due to delayed generation of buy notices or understated requirements, while overstated lead times waste scarce dollars by generating premature buy notices or inflating the quantities to be bought.

**8.3. Determining the PR Priority.** Having determined the expected ALT and PLT for the upcoming buy, the initiator will add that time to the anticipated PR initiation date to determine the expected "routine" delivery date or performance start date. By comparing this date to the actual need date, the initiator will determine the proper Contracting Priority Code. The valid codes are A, B, C, D, E, and R. In the generic sense, A is considered "emergency"; B, C, and D are considered "urgent"; and E and R are considered "routine". They are defined and used as indicated below. The circumstances which support the use of PR priority B, C, and D also support the "compelling need" element for application of Other Than Full and Open Competition under authority (c)(2), Unusual and Compelling Urgency (see paragraph 4.10.3). If an authority (c)(2) J&A can be supported, these circumstances will be reflected in the J&A (see Chapter 9). Therefore, there is no need to separately justify the priority when an authority (c)(2) J&A does this.

8.3.1. Priority A is reserved for "Emergency" requirements. These are requirements which carry such an exceptional degree of urgency that they should be handcarried through the process for immediate attention by each functional area. The special instructions identified below for B, C, or D priorities also apply as appropriate to priority A PRs\_e.g., notes to the buyer regarding current production lines, etc. Use of priority A is strictly controlled. Extraordinary actions will be taken by the buyers to place priority A requirements on contract as quickly as possible. Because these actions bypass the normal checks and balances, various levels of approval will be required either prior to or after contract award. Also, the very fact that a priority A PR is handcarried through the process has a disruptive effect on the involved offices. To ensure that priority A is used only where truly warranted, the minimum approval on the PR will be the ALC Product Director (regardless of dollar value which might otherwise only require division or lower level approval). See below for approval procedures.

8.3.2. Priority B applies to PRs written to satisfy Not Mission Capable Supply (NMCS) backorders and critical repairs/services which are considered equivalent to the urgency of a NMCS backorder. If the item required is still being produced to support a production line for a weapon system or subsystem acquisition program, the IMS will include a Note to the Buyer identifying the acquisition program and the contractor(s)/subcontractor(s) and the acquisition program management office involved. This alerts the buyer to a known active producer and a ready source of supply. The IMS will contact the Deputy Program Manager for Logistics (DPML) or equivalent at the program management office and negotiate diversion of assets from the acquisition program to satisfy field MICAP requirements.

8.3.3. Priority C applies to PRs written to satisfy MILSTRIP Priority 1-4 backorders. The IMS will support use of priority C with a current list of priority 1-4 backorders.

8.3.4. Priority D applies to PRs written for urgent requirements which do not satisfy the criteria for priorities A, B, or C. In particular, items with critical delivery schedules affecting scheduled repair/overhaul production lines; safety of flight or ground safety items (when delay in delivery causes an unacceptable increase in risk); and special programs such as the Electronic Warfare Quick Reaction Capability (EWQRC) satisfy the minimum requirements of this priority. Support for use of Priority D will include clear statements of how the Government will be injured if the normal/routine acquisition process is performed.

8.3.5. Priority E applies to PRs written where the need date is less than AQLT away, but which cannot qualify for priority A, B, C, or D. No justification is needed other than identification of a need date less than AQLT away.

8.3.6. Priority R applies to PRs written where the need date is more than AQLT away.

**8.4. Limits on Emergency and Urgent PRs.** Because Emergency and Urgent PRs require expedited actions within the ALC and involve shortcuts on the normal acquisition process, certain limitations must be imposed. Local management may further restrict the application of emergency/urgent buying procedures in response to contingencies such as funds limitations via policy letters or formal supplement to this regulation.

8.4.1. If every PR is "urgent", none will receive "urgent" handling. Each center must establish management controls to prevent priority abuse. The centers' process must balance the need for a proper level of review and approval against the fact that for truly urgent requirements we can least afford bureaucratic delays. Therefore, the management levels involved should be as low as possible to maintain effective control, and emphasis should be placed on handcarry/walkthrough arrangements with follow-on documentation as needed for audit trail purposes. Local review/approval procedures must also accommodate crisis and contingency situations in which the volume of truly urgent requirements may surge dramatically.

8.4.2. The quantity to be purchased on an emergency basis will not exceed the total of current NMCS backorders and/or other known, definite, documented emergency requirements. This can include scheduled future requirements under very limited circumstances (e.g., when we need a certain quantity immediately to resolve an emergency depot maintenance work stoppage and also know as a fact that a certain quantity will be needed in the very near term to keep the line going). However, the future requirement quantity should not exceed the bare minimum needed to provide support until an urgent buy can be delivered. Other projected requirements (e.g., anticipated NMCS backorders) must not be included in this total since those requirements may not occur. However, the projected requirements should be placed on an urgent buy and accelerated delivery/direct shipment requested as the actual backorders develop.

8.4.3. The quantity to be purchased as Urgent will not exceed the total of:

- current backordered NMCS or priority 1-4 requirements, plus
- demands expected to occur during the AQLT, minus
- serviceable assets generated from repair during the AQLT and assets due in from open contracts during the AQLT.

(NOTE: After a D041 item is determined to qualify for urgent processing, the urgent quantity may be determined by subtracting the OIM safety level, VSL depot, and non-urgent peacetime additives from the peace-time buy quantity. The quantities subtracted out are considered routine. If the calculation produces zero or a negative number, the buy cannot be processed as urgent.)

**8.5. Impact of AQLT on Computed Requirements.** All AFMC requirements computation systems base the timing and/or quantity of a buy in part on the AQLT reflected in the requirements system data files. This data element (or elements, if reflected as ALT and PLT separately) may come from several sources, including:

- system default values, when no other data exists
- system overlaid values received from J041 based on current or completed contracts
- values manually entered by the IMS during file maintenance

The IMS must confirm the lead time values in the requirements system data files. When a buy notice generation is delayed due to understated lead time, the only way to avoid a break in mission support is to pro-



cess an Urgent or Emergency PR, which in turn disrupts the processing of other requirements. This becomes a self-perpetuating cycle. The IMS will ensure that realistic lead time values are maintained in the data files. Note that the J041 overlay values reflect only J041 time, which begins at the processing of the "A" transaction by PR/MIPR Control or the J023 system. Time prior to that point is not included. D062 and D041 assign a default additive value to the J041 time, but this default does not always reflect the full Pre-PR time needed to assemble the PR package. The IMS will need to validate the figures in light of the full lead time.

**8.6. Direct Shipment.** When procured items can be shipped directly to a field customer, significant cost savings are possible. DOD policy emphasizes use of direct vendor-to-customer delivery in all cases where it is economically justified. When the inspection and acceptance is to occur at the origin, instructions for all D062 PRs will specify direct delivery to the requisitioner for each backorder open when the PR is initiated. The remainder of the order quantity will be marked for delivery to stock. As additional requisitions are generated prior to contract award, the IMS may initiate PR amendments to divert items for direct shipment. As additional requisitions are generated after contract award but prior to delivery, the IMS should consider use of Amended Shipping Instructions (ASI). However, the timeliness of the situation must be considered. The IMS will not process PR amendments or ASIs unless the added direct and indirect costs of these actions will be justified by the benefit to mission support and reduction of second destination transportation expenses. D041 IMSs will not specify direct shipment unless it is known that the field backorder will still be valid when the vendor is ready to deliver. However, ASIs may be processed for open backorders shortly before scheduled delivery to improve mission support and save second destination transportation costs.

**8.7. Defense Priorities and Allocations System.** Title I of the Defense Production Act of 1950, as amended, authorizes the President to require that contractors accept and perform on a preferential basis contracts for certain approved defense and energy programs; and authorizes the President to allocate materials and facilities to promote those approved programs. The Department of Commerce, Office of Industrial Resource Administration, implements this program in OIRA's Defense Priorities and Allocations System (DPAS). DPAS authorizes certain defense programs (for example, military aircraft) to be rated. Rated orders are identified by a priority rating of DO or DX and a program identification symbol (i.e., A1 for military aircraft or C3 for maintenance, repair and operating supplies). Rated orders take precedence over all unrated orders, while DX orders take precedence over DO rated orders. A contractor who receives a rated order may in turn pass the priority to subcontractors and suppliers as necessary to ensure that the prime contract can be satisfied. All rated orders must be accepted and performed to the maximum extent possible to assure delivery as required.

8.7.1. Under the terms of the regulation, virtually every AFMC purchase is a rated order due to being in support of a military weapon system. However, the DX rating is reserved for use in very select cases. The weapon system programs which have been authorized use of the DX (BRICK BAT) rating are listed in the Master Urgency List (MUL), a classified attachment to AFR 70-24, Policies and Procedures for Implementing Approved National and Military Urgency Determination. The MUL also lists high-priority DO programs (CUE CAP), although lesser priority DO programs are not listed. The following procedures will be followed to ensure that all appropriate acquisitions are given DX priority handling and that no unauthorized use of the DX/DO rating occurs.

8.7.2. The MUL will be maintained under proper security storage by a locally-designated custodian/DPAS monitor. On a regular basis, the monitor will review the MUL and identify the qualified pro-

grams which are supported by the center. The monitor will then pass this information (using good security practices) to the program management personnel, who in turn will pass it to the involved IMSs, PMSs, and ESs.

8.7.3. Upon identification of an item or program as qualifying for a DX or DO/CUE CAP rating, the involved PR initiators will screen all active and upcoming acquisition actions. If necessary, they will advise the buyers of the need to upgrade current PRs or contracts. This may be done by letter or other written means. No PR amendment is required unless a change to the funds commitment is required or the PR priority is being upgraded.

8.7.4. The initiator will clearly mark new PRs for DX and DO/CUE CAP rated acquisitions "DX (or DO/CUE CAP) RATED ORDER" (see para 8.9), and will further indicate the rated program or system it supports. These PRs will be routed by PR/MIPR Control to the DPAS Monitor for coordination during the normal coordination process. The DPAS Monitor will confirm the correct application of the DX rating, delete the rating if not properly assigned, and notify the initiator of such deletion.

8.7.5. Initiators will ensure that all DX and DO/CUE CAP rated PRs also carry the appropriate Contracting Priority Code. A DX order does not necessarily qualify for an Emergency or Urgent priority. If the requirements identification process has performed correctly, the need date should match the normal AQLT and the buy should be processed as "routine". Even in "routine" cases, though, the DX rating clearly indicates to the contractor that this contract's delivery schedule is a significant "must comply" requirement.

**8.8. Defining the Delivery Schedule.** The PR initiator completes blocks 10 and 11 of the AFMC Form 36 to show the requested delivery schedule and destinations. Continue on the reverse side of the AFMC Form 36 and then on plain bond paper if necessary, with appropriate reference across the bottom of blocks 10 and 11. Delivery schedules driven by scheduled demands (such as programmed depot maintenance) should be clearly identified as such so the buyer is aware of the time sensitivity for those deliveries. These are good candidates for "Just-in-Time" delivery contracts which minimize handling and holding costs to the Government. Be sure to coordinate such delivery schedules with the requiring activity.

8.8.1. Block 10, Column A: Item Number. Enter the line item/subline item number from block 8, column A.

8.8.2. Block 10, Column B: Required/Desired. Leave this field blank.

8.8.3. Block 10, Column C: Delivery Schedule. Enter the delivery schedule using one of these structures:

8.8.3.1. Item procurement:

8.8.3.1.1. Single (batch) delivery of entire line item quantity to one location: Enter the PR or MIPR Line Item Need Date. Buyers will make every effort to meet this date. For especially urgent requirements where premium funding is appropriate, obtain approval from your funds monitor and enter remarks identifying the scope and applicability of the premium funding.

8.8.3.1.2. Incremental (time-phased) deliveries to a single location: Enter each PR or MIPR Line Item Delivery Increment Quantity, and its associated Need Date. Ensure that the increment quantities add up to the Line Item Quantity in block 8D.

8.8.3.1.3. Split deliveries (simultaneous) to separate addresses: Enter a single delivery schedule as in 8.8.3.1.1. above.

8.8.3.1.4. Incremental (time phased) deliveries to separate addresses: Enter each Delivery Increment Quantity and need date for each addressee.

8.8.3.1.5. When requesting MYC (para 7.9), enter a delivery schedule only for the instant order quantity line item (if any). Enter Remarks Text stating "Will be specified on each order" for line items establishing ordering contracts with no instant order.

8.8.3.2. Technical Reports and other data required in support of item buys may have either a specified calendar delivery date or a relative date (e.g., 60 days after completion of study).

8.8.4. Block 11, Column A(1): Ship To. Enter the DOD Activity Address Code (DODAAC) which is to receive the shipment indicated in Block 10, columns A-C. In all cases where it is economically justified, specify shipment to using activities rather than storage depots (see para 8.6). If exact shipping instructions cannot be provided, either enter "TBD" (to be determined) or provide the depot storage account information with the "ASI" remark (see (5) below). Entering "TBD" imposes the assured added workload of processing either a new PR or a PR amendment to establish the transportation funding prior to delivery. Entering the depot storage account may or may not require Amended Shipping Instructions (chapter 25).

8.8.4.1. For shipments to DOD activities to fill requisitions, enter the "ship to" from positions 30-35 (when the Signal Code is A, B, C, or D) or 45-50 (Signal Code J, K, L, or M) of the MILSTRIP requisition.

8.8.4.2. For shipments to FMS customers, the "ship to" is the supplementary address from the MILSTRIP requisition. For Grant Aid shipments, the "ship to" is the Grant Aid Record Control Number and Geopolitical Code. Transportation specialists will extract key information from these codes during the coordination cycle (para 21.4.7) to build the actual ship-to address for the final PR package.

8.8.4.3. For storage shipments, enter the DODAAC of the storage location/account.

8.8.4.4. For special use shipments (War Reserve Materiel, special projects, First Article Test items, etc.), enter the DODAAC of the responsible activity.

8.8.4.5. In every case where Amended Shipping Instructions (ASI) may be needed, enter Remarks Text indicating "ASI possible."

8.8.5. Block 11, Column A(2): Mark For.

8.8.5.1. For shipments to DOD activities to fill requisitions, leave this field blank.

8.8.5.2. For shipments to FMS customers, the "mark for" is the two position Country and Activity Code, hyphen, "D," hyphen, case code. For Grant Aid shipments, the "mark for" is the MILSTRIP requisition supplementary address. Transportation specialists will extract key information from these codes during the coordination cycle (para 21.4.7) to build the actual mark-for address for the final PR package.

8.8.5.3. For storage shipments, enter the locally-designated account designator (e.g., ACCT09).

8.8.5.4. For special use shipments, enter the locally-designated account designator. Each center must establish these accounts as needed to prevent mixing of assets authorized and funded for different purposes. As necessary, include in the Notes to the Buyer any special marking instructions related to these special accounts.

8.8.6. Block 11, Column B: MILSTRIP Data. For direct shipments to DOD and FMS customers in support of requisitions, enter the MILSTRIP Requisition Number and MILSTRIP Priority Designator.

**8.9. Remarks.** The initiator will use Remarks Text in block 12 as required below or as needed to amplify/clarify the requirement data for the buyer. Note: J023 is programmed with "canned" remarks for this block, which preclude its use for other remarks. Initiators will use the notes to the buyer field for remarks not allowed in Block 12 on J023 PRs; use continuation sheets as necessary.

8.9.1. Item Procurement PRs:

8.9.1.1. State the buy authority (e.g., D062 computation dated 15 May 92).

8.9.1.2. If the PR is procuring items for mod/TCTO kits in lieu of using currently available DOD stocks (see para 3.10.3), indicate "New procurement in lieu of using GFP assets is necessary to meet schedule and mission requirements."

8.9.1.3. For advance PRs, enter the statement shown in para 3.7.1.

8.9.1.4. The funds certifying official will add funding remarks (instructions related to initiation/commitment of funds, obligation ceilings, etc.) to the PR during the funds certification coordination (Chapter 21).

**Table 8.1. Delivery Schedule and Remarks Data Elements.**

Para	Element	CDD Number	J023/KEYPLUS	J023/KEYPLUS
			Part#	Column
8.8.3	PR or MIPR Line Item Need Date	CDD#####	III, IV, V	35-37 (1)
8.8.3	PR or MIPR Line Item Delivery Increment Qty	CDD#####	SYSTEM(2)	
8.8.4	DODAAC	*CDD0601779	III, IV, V	48-53
8.8.4	Country and Activity Code	*CDD0611698	N/A	
8.8.5	Mark For	CDD#####	III, IV, V	54-63
8.8.6	Requisition Number	CDD#####	III, IV, V	66-80
8.8.6	Priority Designator Code	*CDD0604436	III, IV, V	64-65

**NOTES:**(1) Need Date is input to J023 as Delivery year, \*CDD0610308, and Month Code, \*CDD0604726.(2) J023 computes incremental quantity by dividing the quantity indicated in columns 42-47 by the Increment Quantity, \*CDD0610326, entered as the number of increments in column 38.

## Chapter 9

### PR FUNDING AND APPROVAL FOR ITEM BUYS

**9.1. Funding.** The initiator will fill in the complete "long line" accounting classification in block 13. Use the reverse side of the AFMC Form 36 as needed for continuation. Consult the division/directorate funds monitor or local financial management organization for assistance in identifying the correct funds cite. J023 uses data input by the requestor (the Program Year, BPAC, MPC, and CSN) and data from its files to prepare the accounting classification for the AFMC Form 306.

9.1.1. Item number (column A): Enter the line or subline item from block 8, column A.

9.1.2. Accounting classification (columns B(1)-B(9)): Enter all nine elements of the Standard Air Force Accounting Classification (SAFAC). These may be obtained from the authorized documents/program management directives.

**9.2. Approvals.** The initiator will sign and legibly print, type, or stamp his or her name, office symbol, and telephone extension in block 14A. Additional signatures in the same format will be added in blocks 14B through 14F as required below. For J023 PRs, these signatures are on the "initial" PRs; the "final" PR need not be signed. PR/MIPR Control will forward one copy of the initial PR signed by the initiator and certified by Financial Management with the final PR to the contracting function.

9.2.1. Routine (Priority R and E) PRs for D041, D062, and D039 items require no additional signatures on the PR itself. The approving authority signatures on the requirements computation document review and approval of the buy.

9.2.2. Urgent (Priority B, C, and D) and emergency (Priority A) PRs for D041, D062, and D039 items require review and approval by a locally designated management level (see para 8.4.1). This approval, as well as intermediate review, may be indicated in block 14.

## Chapter 10

### SPECIAL PROCEDURES

**10.1. General.** This chapter provides guidance for special procedures which apply to certain categories of items or buys and are generally worked "off-line", or outside of the normal buy cycle process. PR initiators will find that these procedures often represent extra work with no immediate payoff. However, when applied in the appropriate circumstances there will be a measurable long-term benefit to the initiator, the center, and the Air Force. Supervisors and managers must recognize this in workload assignment and worker recognition.

**10.2. AFMC New Source Insurance Policy.** The principal aim of allowing new sources to compete for government contracts is to obtain the best possible price and performance, which will theoretically always occur in an open market competitive situation. A side effect of this situation, however, is that we are also exposing ourselves to increased risk should an unproven source's item not be functional. To guard against this, certain items (primarily complex or critical performance type items) require First Article (FA) testing and approval before the new source is given the go-ahead for production. Remember that the requirements systems produce buy notices based in part on an expected acquisition lead time (AQLT). If a FA test is required, the actual AQLT will almost certainly exceed that upon which the requirement was based. This could translate to stock outages and degraded mission support. Some items can be delayed with minimal impact upon mission capability. Other items, however, are essential to the capability of the weapon system. For these types of items, we cannot allow the emphasis on competition to unduly jeopardize the logistics pipeline. The AFMC New Source Insurance Policy allows new sources to bid on such items while ensuring that we also have a contract in place with a proven source for the minimum quantity needed to maintain support. The proven source's contract also has an option for up to the total buy which can be exercised in the event that the new source cannot perform. Ideally, this can allow complete support with no break in supply. At the minimum, it allows us to avoid repeating the entire AQLT. If the new source cannot perform, we have an option in place and we are only production lead time (PLT) away from delivery.

10.2.1. The Insurance Policy may be applied to purchases where all of the following conditions are satisfied:

10.2.1.1. A break in supply (that is, failure to deliver on schedule) would jeopardize support to operational units' mission capability.

10.2.1.2. The item has an Acquisition Method Code (AMC) of 1 or 2 assigned, regardless of the Acquisition Method Suffix Code (AMSC).

10.2.1.3. The item is of such complexity or criticalness that a FA test is required to ensure that the new source is capable of producing a conforming part.

10.2.1.4. The buy will be processed under a routine Contracting Priority Code (E or R). (Note: Emergency or Urgent buys (A,B,C, or D) need expedited processing through the PR/Contracting process and are therefore not candidates for the Insurance Policy.)

**NOTE:** These criteria are established such that items which qualify for the Insurance Policy will also qualify for use of Authority (c)(1)) to Full and Open Competition (F&OC) for the Mission Essential

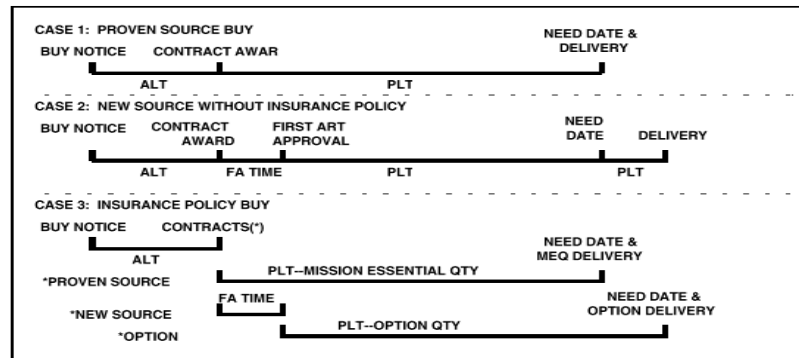
Quantity (MEQ). A central point which must be supported in the justification for OTF&OC is that timeliness of the delivery is an essential element of the government's requirement, and that only one or a limited number of previously proven sources can satisfy the requirement when that factor is included.

10.2.2. How the Insurance Policy works. As shown in Figure 10.1, Case 1, the normal purchase is with a single producer who begins production upon contract award and delivers the item PLT later. The problem which the Insurance Policy is designed to address is shown in Figure 10.1, Case 2. In this case, the new source's FA test requirement will delay the delivery to a point beyond the Need Date (ND). At the ND, we will begin using assets from the safety level and/or experience backorders. Until delivery begins, the situation will worsen. An Insurance Policy buy, shown in Figure 10.1, Case 3, awards a portion of the buy called the Mission Essential Quantity (MEQ) to the lowest-offering proven source. The MEQ is determined by using the procedures detailed below. Basically, it reflects the quantity to cover the added lead time to determine if the new source is capable of performing. The proven source also receives a variable option for up to the remainder of the buy in the case the new source fails FA. The new source receives a contract for the non-MEQ portion of the buy, structured as a FA-type contract. If the new source is successful we will receive deliveries from the two sources in time to avoid any break in supply. If the new source is not successful (we will know this at some point during the production of the MEQ), the proven source option will be exercised. The MEQ portion of the buy will be delivered at the original Required Delivery Date (RDD). If the new source evaluation is timely, the MEQ will provide support until the option quantity is delivered. Delay in evaluation may result in a break in supply, but this break will be minor compared to that which would result from the traditional contracting approach.

10.2.3. Activation of the Insurance Policy. The Insurance Policy provisions are activated only when an unproven source is the successful low offeror. (If a proven source is the low offeror, then of course it receives a contract for the entire quantity.) If the unproven source does provide a conforming product on schedule, it then provides the remainder of the non-MEQ quantity. If the unproven source fails to provide a conforming product on time, the proven source option for the remainder of the non-MEQ quantity is exercised. The MEQ provides a buffer to span the time until delivery of the option quantity begins.

10.2.4. IMSs will determine the MEQ as follows.

Figure 10.1. How the Insurance Policy Works.



10.2.4.1. Consumable Items (D062). Upon confirming that an item is a candidate for Insurance Policy buy procedures, the Inventory Management Specialist (IMS) will examine the PLT figures in the procurement history and confirm that the PLT used in the computation does not reflect the PLT associated with first article testing. The IMS will compute the MEQ by multiplying the daily demand rate by the amount of time expected after contract award for determination of a new source's product acceptability. Use the most realistic time estimates available (documented!) for FA tests of this or similar items in the recent past. If better estimates are not available, use 120 days. Note that this is an off-line calculation. The additional lead time will not be file maintained into D062, as future computations would then be inflated.

10.2.4.2. Investment Items (D041). Upon confirming that an item is a candidate for Insurance Policy buy procedures, the IMS will examine the PLT figures in the procurement history and ensure that the PLT used in the computation does not include PLT associated with first article testing. To determine the MEQ, the IMS will run a D041B "what if" recomputation with 180 days (or another figure, if more accurate and documented) added PLT. This figure represents the added PLT expected as a result of first article testing, or in another sense it represents the potential time lost should the new source prove incapable. The change in the buy quantity from the D041 to the D041B is the MEQ. DO NOT file maintain the revised lead time into the database, as future requirement computations would then be inflated. Should the total Acquisition lead time (ALT + PLT) exceed 36 months, an additive requirement is authorized IAW AFMCM 57-4. This additive would be input using the same "what if" D041B recomputation that is being used for the Insurance Policy MEQ calculation. Again, DO NOT file maintain this into the data base.

#### 10.2.5. Limitations on the Calculated MEQ.

10.2.5.1. MEQ Ceiling. In cases where the expected new source first article testing time exceeds the normal PLT, such as extremely complicated items or critical nuclear surety items, it is possible to have a calculated MEQ which exceeds the current buy quantity. In such cases, the Insurance Policy cannot be applied because the MEQ cannot exceed the current buy quantity, and this limitation would cause another buy notice to be initiated before the new source first article testing was completed. Solicitation and contract management under such circumstances would be extremely



difficult. Rather than applying the Insurance Policy to such items, source qualification should be worked apart from the requirements buy.

10.2.5.2. MEQ Floor. In certain situations (principally D041 items with exceptionally low condemnation rates), the procedure may yield a calculated MEQ of zero. Since the proven source must be presented with some basic quantity upon which to bid in order to establish an Insurance Policy option, the MEQ will be adjusted as necessary to be no less than 10% of the buy quantity (rounded up to the nearest unit).

10.2.6. Requesting Use of the Insurance Policy. To request the use of the Insurance Policy, the IMS will enter the MEQ as a separate line item, with Remarks Text for the line item identifying it as the MEQ. A note to the buyer will state that "Line Item \_\_ is the Mission Essential Quantity needed to assure critical support while first article testing is accomplished. MEQ is based on completion of first article testing/verification within \_\_\_\_ days of contract award (see attached schedule). Critical mission requirements prohibit any slippage without prior IMS approval. Failure to satisfy delivery and testing requirements on schedule will result in the proven source option being immediately exercised." The referenced schedule should be reflected on the AFMC Form 260, *First Article Requirements*. Further marking instructions (Ship to/Mark for) for the FA line item must include a requirement on the contractor to identify it as an Insurance Policy item. This will provide the needed visibility upon receipt of the FA to expedite the testing of the FA. A Justification and Approval (J&A) for the requirement will be submitted with the PR. This J&A will be used only in the case where an unproven source is the lowest-offeror. Given this situation, there will be two actions (one definite and one potential) covered by the J&A. The first action (definite) will be the award of the MEQ using FAR 6.302-1 (Only One or Limited Number of Responsible Sources). This action will always be applicable for an insurance buy when an unproven source is the lowest offeror. The second action (potential) covered by the J&A will be the proven source's option, exercised if (and only if) the unproven source fails to meet the FA requirements stated in the contract. In this situation, the balance of the requirement will be awarded to the proven source using FAR 6.302-1.

10.2.7. Enforcement of Insurance Policy Provisions. Once an Insurance Policy contract is in place, the IMS and buyer must ensure that all activities are complying with its terms. It is critical that contractor actions (i.e., delivering the First Article sample) be completed on time. If the new contractor is not complying with the schedule, the proven source option must be promptly exercised to maintain mission support. It is equally critical to the success of this process that the government not exceed its allotted time standards used to derive the MEQ (i.e., testing the First Article). To this end, each ALC must maintain a procedure which allows Insurance Policy FAs to be expedited through the testing process and the pass/fail decisions made within the time allowed for by the PR's MEQ. Advance notification of the incoming FAs to the test facilities is required so that appropriate workload scheduling decisions can be made. For these critically important items, intensive management attention is warranted.

**10.3. Direct Vendor Delivery/Just In Time.** Paragraph 8.6 defines AFMC direct shipment policy which pertains to support of current backorders. One of the objectives of that policy is to reduce second destination transportation and depot handling costs. Direct Vendor Delivery (DVD) and Just In Time (JIT) are broader applications of this concept which also strive to reduce overall inventory levels and costs at wholesale and retail storage locations. While most items suitable for DVD/JIT are managed by DLA or GSA, many items under Air Force management may also benefit.

10.3.1. A DVD/JIT contract has several key features.

10.3.1.1. It is a multiple year contract, usually a one year requirements or indefinite delivery/indefinite quantity contract with two, three, or four one year options. This establishes a stable relationship with the contractor.

10.3.1.2. It calls for sufficiently small orders that most retail level requisitions can be passed to the contractor for direct shipment to the customer.

10.3.1.3. It requires the contractor to satisfy those orders within established order and ship times.

10.3.2. The above features imply a number of restrictions on the types of items suitable for DVD/JIT. The ideal candidate is a commercial off-the-shelf (COTS) item with very stable and predictable demands and a continuously running production system. Items which are military unique may be candidates if demand is predictable and high enough to support continuous production. COTS items with unpredictable military demands may also be candidates if the private sector consumption is large enough to offset the military demand fluctuations and support continuous production. Generally speaking, items which are not under continuous production should be dropped from consideration for DVD/JIT because the delivery schedule requirements would force the contractor to hold an inventory of finished product. We would have to pay the investment and holding costs for that inventory as part of the unit cost.

10.3.3. Figure 10.2 is a decision tree for determining if an item is a DVD/JIT candidate. The IMS should use this process to categorize the item as Type I, II, or III. The IMS, in coordination with contracting personnel, should then compile necessary costs and demand estimates and complete the cost-benefit analysis shown in Figures 10.3, 10.4, or 10.5 as applicable. The analysis will lead to a recommendation, shown in each figure.

Figure 10.2. DVD Item Selection Methodology.

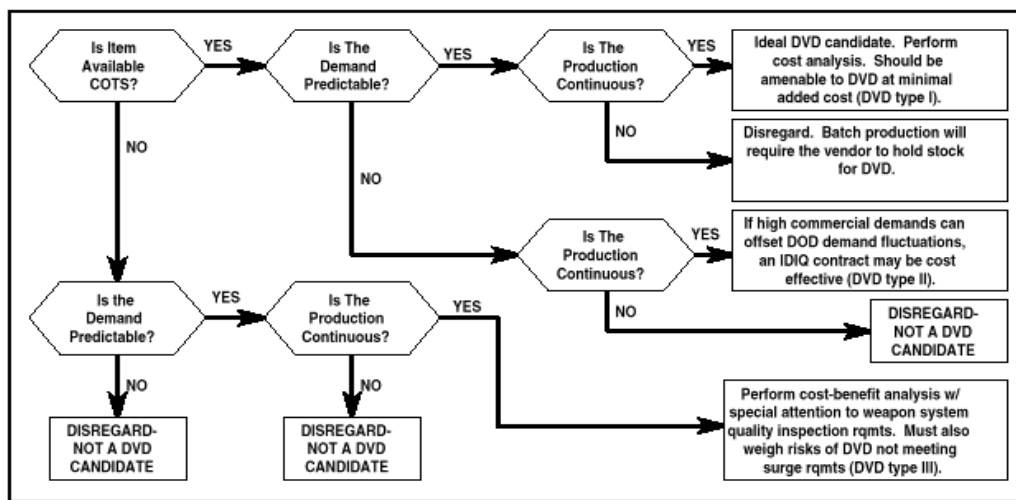


Figure 10.3. DVD Cost Analysis for Tupe II Items.

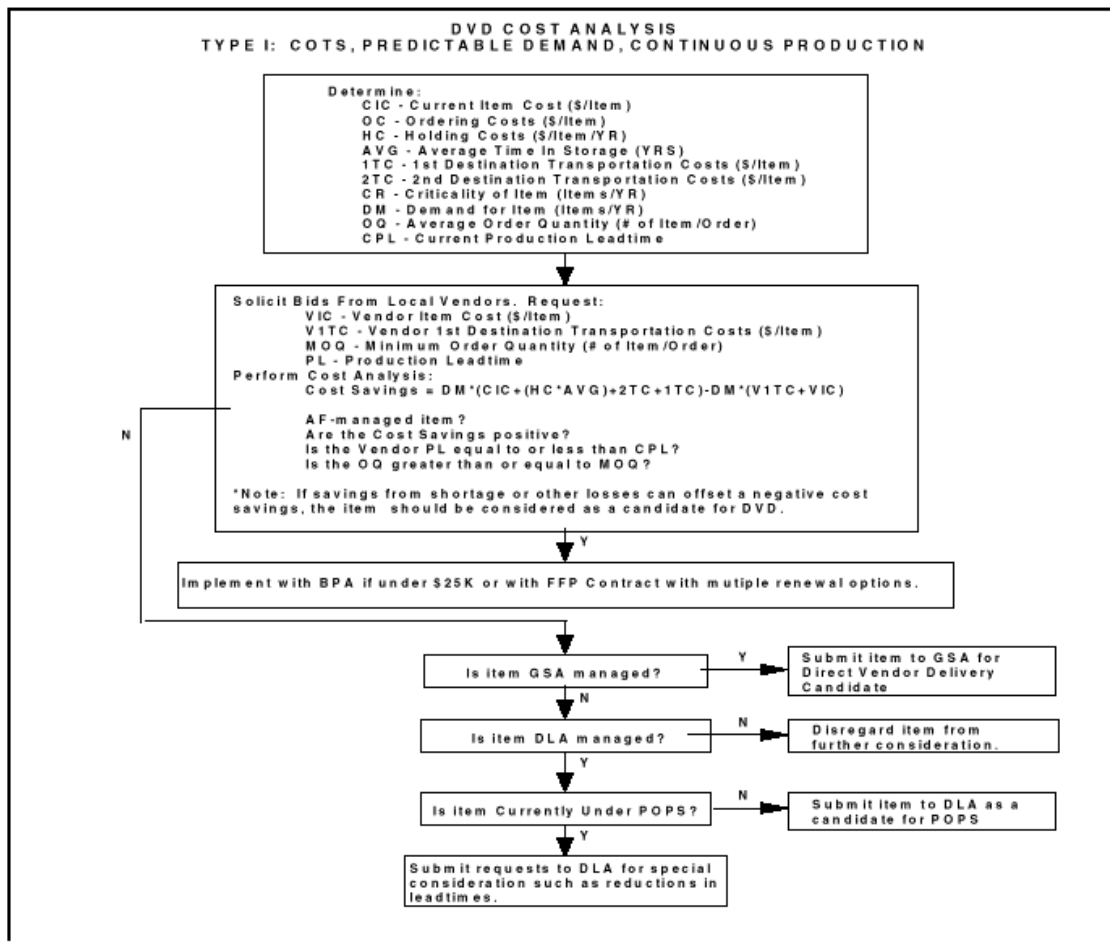


Figure 10.4. DVD Cost Analysis for Type II Items.

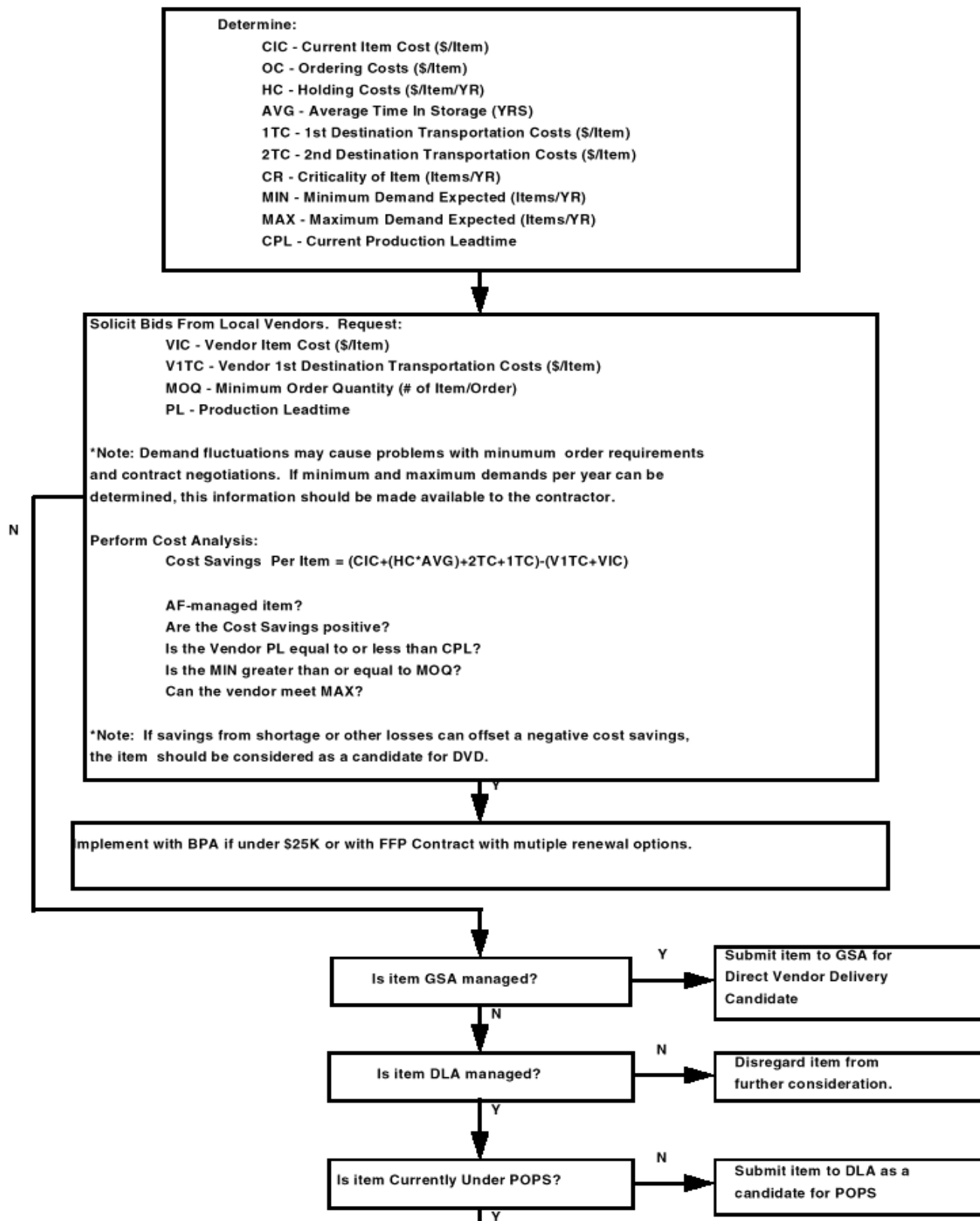
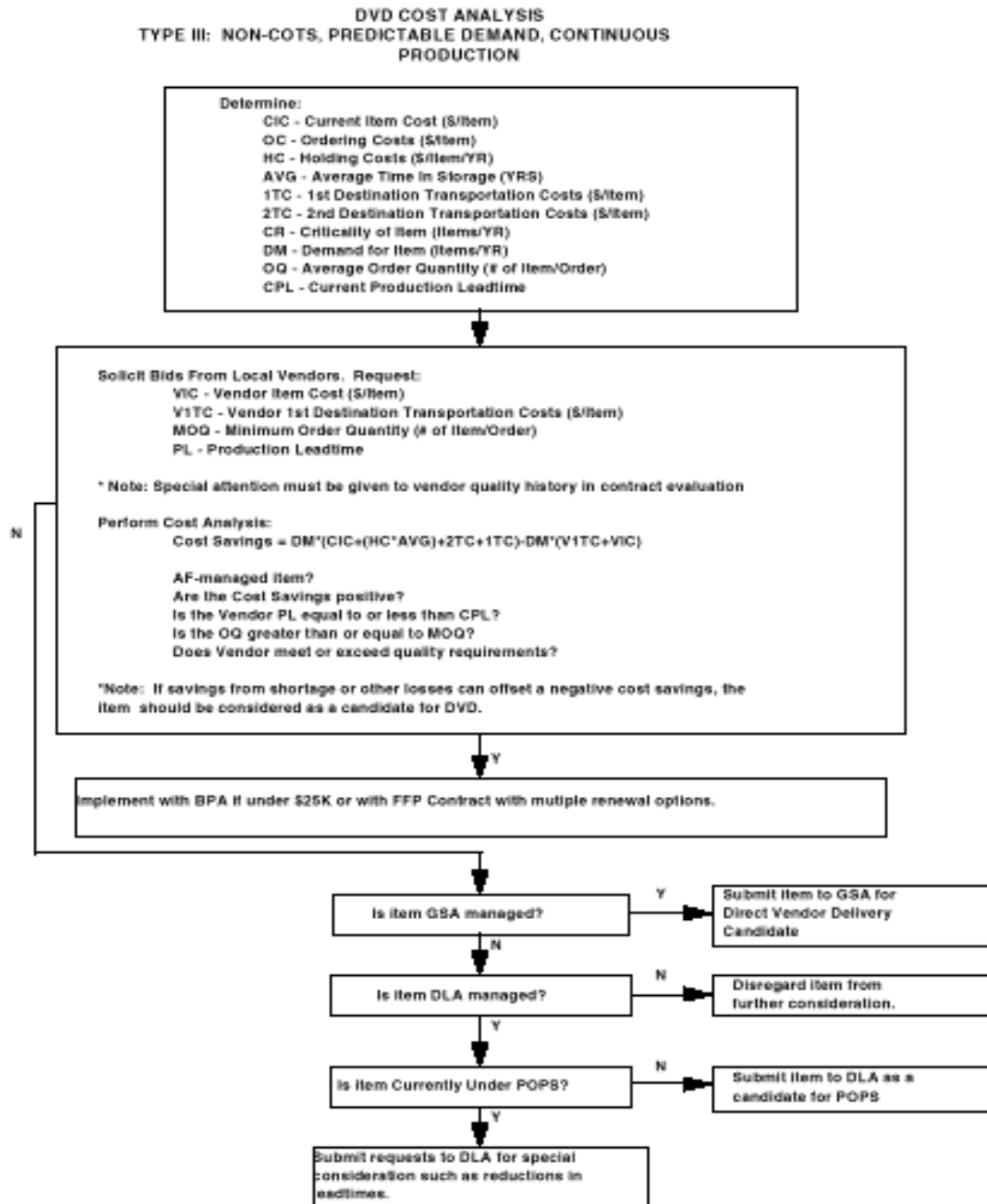


Figure 10.5. DVD Cost Analysis for Type III Items.



## PART 3

### DEVELOPING AND PROCESSING PR TECHNICAL DATA FOR ITEM BUYS

#### Chapter 11

#### INTRODUCTION

**11.1. General.** Part Two of this regulation explained the role of the PR initiator, who is responsible for defining the requirement to buy something. For many reasons, though, it is impossible to buy things based on a simple item or service description. In order to ensure receipt of what is really wanted, and also in order to ensure compliance with numerous Public Laws, various technical specialists must participate in defining the technical aspects of the requirement. Part Three of this regulation, Chapters 11-19, contains the policy and procedures for these actions.

11.1.1. As used in this regulation, the term "data" means information in any form. Therefore, this part is concerned with developing and processing information related to technical requirements for the buy. The term "data" is also applied in some contexts to mean information in a particular format or stored on a particular media (e.g., engineering drawings stored on aperture cards or optical disk). Where the context does not specifically identify a narrow definition of the term, the broad meaning applies.

11.1.2. For effective execution of the acquisition process, the buyer must be able to quickly resolve questions and issues relating to technical requirements within the PR. Therefore, every technical specialist who adds a technical requirement must include sufficient information to allow the buyer to contact them directly for clarification of the requirement. This may be in the form of name, office symbol, and telephone in plain text or through use of symbols/routing codes which cross-reference to the responsible person/position. Buyers who contact a technical specialist for clarification and receive inadequate response should elevate the issue to that specialist's management for resolution.

11.1.3. In all cases where there is a requirement for the delivery of data, the persons making the requirement must work closely with the program's Data Management Officer (DMO). This partnership is critical to the proper selection of the most appropriate data item descriptions (DIDs) and definition of the data delivery details (timing, delivery media, etc.) for the Contract Data Requirements List (see chapter 18).

**11.2. Responsibilities.** To allow the most effective use of resources, AFMC policy allows great flexibility in organizational alignment. Because of this, the following chapters will make reference to position titles, not organizational titles. The following positions are the key players for technical support to the acquisition process; however, see para 1.3 for local deviation policy.

11.2.1. Screening technicians (ST) are the individuals charged with executing the breakout screening process prescribed by DFARS Appendix E. They review the available engineering data to determine its adequacy for competitive acquisitions; identify deficiencies in that regard; recommend actions to resolve those deficiencies; and assign the applicable AMC/AMSC (local policy may establish that the ST recommends the AMC/AMSC, while the engineer approves the code). The screening technicians'

focus is solely on determining whether or not the item in question can be acquired competitively; and if not, why not and what can/should be done about it. Their main question is, "Can a new and responsible source using this data package produce a conforming part?" At some centers, these individuals are called engineering technicians; at some centers the duties are split between the screening technicians and data technicians. Data technicians generally assemble the data package, verify its completeness and legibility, and assist in the screening technician's review. Local management may empower the data technicians to assign applicable AMC/AMSCs to items when lack of data is the main impediment to competition.

11.2.2. Equipment specialists (ES) are the central focal point for all technical aspects of item management. The ES' role in the acquisition process is centered around ensuring that the item specified on the PR is actually what the end user wants, and ensuring that the PR package technical requirements are complete and sufficient to result in a conforming item being delivered.

11.2.3. Engineers are responsible for technical decisions related to design and systems integration of items, assemblies, and weapon systems. The engineer's role in the acquisition process is centered around ensuring that the item described in the data package will perform the intended mission. To this end, the engineer is the decision making authority on issues of design and specifications (both initial and subsequent changes). The engineer also establishes new source qualification requirements and approves or disapproves new sources seeking to become qualified. The engineer establishes first article test requirements, and approves or disapproves items submitted for testing. In all technical requirement areas, the engineer serves as advisor and consultant.

### **11.3. Purchase Request Technical Requirements.**

11.3.1. Every item buy PR will include to some degree a collection of technical requirements--requirements for specifications, standards, quality, inspection, packaging, and so on which pertain to the production of the item. The J023 Automated Purchasing System includes many of the technical requirements on the PR itself for simpler items. For slightly more complex items, a few additional documents must be prepared and attached to the PR package. For highly complex or critical items, the technical requirements can be very extensive.

11.3.2. The Technical Requirements Package (TRP) described in the following paragraphs and chapters is oriented primarily towards the more complex items. Local policy may define its use as optional or mandatory and may establish appropriate thresholds. A determination that the TRP structure is optional does not change policy regarding the various forms and attachments in the following chapters which are included within the TRP. When local policy defines the TRP as optional, it must also address how the individual elements which would have been part of the TRP will be managed.

### **11.4. Overview of the Technical Requirements Package (TRP).**

11.4.1. A TRP is a technical description of an item adequate for supporting initial and follow-on acquisitions. The format is described in para 11.5. The description defines the required design configuration and procedures required to ensure adequacy of item performance. It consists of all applicable technical data such as drawings (commonly called the bidset) and associated lists, specifications, standards, performance requirements, quality assurance provisions, and packaging details.



11.4.2. The TRP will be developed by structuring existing AFMC forms and documents into the sequence prescribed in para 11.5. This action should be accomplished ahead of an actual buy requirement; this should be during or in conjunction with AMC/AMSC screening.

11.4.3. The information in the TRP is relatively stable, and once documented should need review infrequently or only when special circumstances warrant. For example, a sudden increase in Product Quality Deficiency Reports may trigger a review of the quality assurance requirements; or receipt of reprourement data allowing competitive procurement may trigger a total TRP review. The technical specialists who establish requirements may define periodic review criteria. The engineer may in turn require more frequent reviews.

11.4.4. The orientation of the TRP is towards item buys. For repairs and other services a similar type of document (either a Statement of Work or a Maintenance Work Spec) is used (see Chap 20).

11.4.5. The five-section structured TRP is not a MIL-SPEC, and is not controlled or tracked as such. However, an ES with several similar items will very likely notice strong similarities among the TRPs. Where this is the case, and where the general technical requirements are very stable, the ES may consider the benefit of rolling the TRPs into a formal "general" MIL-SPEC with Associated Detail Specifications, as described in MIL-STD-961.

**11.5. Format of the TRP.** The five-section TRP format is as follows. Depending on the complexity of the item, some sections may be very lengthy or may indicate "not applicable". In particular, items completely and adequately described by the drawing set per MIL-STD-100 and associated documents will need little or no further definition of requirements in Section 3 of the TRP. However, the TRP provides structure to the technical requirement, and will be used.

11.5.1. Section 1: Scope and classification (Chapter 13). The scope statement provides a concise abstract of the item to be produced. The contracting function uses this information, coupled with the requirement identification on the PR, to build the Commerce Business Daily synopsis. The classification statements call out various technical classifications and groupings which pertain to the item which assist the reader in quickly understanding what is needed.

11.5.2. Section 2: Applicable Documents (Chapter 14). Section 2 provides a list of applicable documents with instructions on how prospective offerors may obtain copies. The list is broken out by document type and source. It may include Government specifications, standards, and handbooks; Government drawings, documents, and other publications; and other non-Government standards and publications.

11.5.3. Section 3: Technical Requirements (Chapter 15). Section 3 details technical requirements which must be satisfied in order to ensure that acceptable quality, conforming items are delivered. The emphasis is on satisfying the intended use or application at the least life-cycle cost. Every technical requirement in Section 3 must have an associated test (either in Section 3 or Section 4). The requirement/test combination must be explicit and provide a clear basis for rejection of failing items. Section 3 need not repeat technical requirements (e.g., chemical composition or hardness) explicitly called out in the engineering drawings or other documents.

11.5.4. Section 4: Quality Assurance (Chapter 16). Section 4 details all inspections and tests (by reference, where appropriate) necessary to ensure that Section 3 technical requirements and Section 5 packaging requirements are met.

11.5.5. Section 5: Packaging (Chapter 17). Section 5 details preservation, packing, and marking requirements. It calls out established commercial and military standards wherever possible.

**11.6. Other Associated Documents.** Several mandatory or conditionally mandatory documents are unique to each buy, and therefore are not appropriate to the TRP. In particular, if any data is required for a buy, the applicable Data Item Descriptions (DIDs) should be tailored. When the TRP lists potential data deliverables, the actual DD 1423 (Contract Data Requirements List) is unique for each buy involving data deliverables. Chapter 18 provides these instructions, as well as others.

## Chapter 12

### THE TECHNICAL SCREENING PROCESS

#### 12.1. General.

12.1.1. The range and depth of technical information required in support of a buy is almost unlimited. This chapter provides a baseline process and a set of policy guidelines. The objective is to establish an effective and efficient mechanism to determine and document the technical requirements.

12.1.2. To the greatest extent possible, the technical screening actions described in this chapter and chapters 13-17 must be accomplished prior to receipt of buy notices from the requirements systems. The requirements computation systems calculate buy timing and quantities based in part on expected lead time. When the actual lead time is greater than expected because the supporting engineering data and other technical information is not ready when needed, support to customers may fall short and overall inventory costs may increase as the computation systems compensate for longer lead times. Problems may also arise when screening is rushed for an immediate buy and critical technical requirements are overlooked.

12.1.3. DFARS Appendix E, "DOD Spare Parts Breakout Program," prescribes a complete breakout screening process aimed at determining which Acquisition Method Code/Acquisition Method Suffix Code (AMC/AMSC) applies to an item. This screening inherently reveals many technical requirements which factor into the AMC/AMSC determination, and which must also be fully documented in the TRP. The full screening process requires an exhaustive technical and engineering review of the item. The added effort to develop and document the remaining technical requirements concurrent with the breakout screening is minimal compared to retrieving the drawings and specifications at a later date for an additional review. Therefore, the baseline process assumes that to the greatest degree possible the entire TRP will be developed in one continuous process concurrent with full breakout screening. Where full breakout screening does not apply (low dollar or non-stocklisted item buys), TRP development screening will be a standalone process in its own right.

#### 12.2. Breakout Screening Policy.

12.2.1. Screening technicians at ALCs will comply with DFARS Appendix E.

12.2.2. IMSs who identify items lacking a current AMC/AMSC and with an expected annual buy value of more than \$10,000 (or lower threshold as established locally) will request full breakout screening as early as possible prior to the actual buy notice. If the full screening cannot be completed without delaying expected delivery (based on past lead times) to a point beyond the need date, the immediate buy may be processed based on limited screening per DFARS Appendix E. However, high cost/high demand items should be referred for immediate initiation of full breakout screening.

12.2.3. After an item is referred for full breakout screening, IMSs may receive more than one buy notice before the full screening is completed due to the length of time such screening requires. Each of these buys will require revalidation of the AMSC. There is no limit to how many such revalidations may be accomplished; however, the progress of the full screening must be documented in the Justification and Approval/Sole Source Justification to support the revalidations.

12.2.4. DFARS, App E requires that "breakout improvement efforts shall continue through the life cycle of a part to improve its breakout status or until such time as a part is coded 1G, 2G, 1K, 2K, 1M, 2M, 1N, 2N, 1T, 2T, 1Z, or 2Z." Items having AMSCs of A, B, C, H, P and U and AMC coded other than 1 or 2 will be subject to continuing review. Items acquisition method coded 1 or 2 are not subject to rescreening unless circumstances affecting the data inhibit competition. Rescreening may result in the identification of one or more of the elements for which the government does not possess clear rights to use the data for purposes of competitive procurement. Challenges of the limitations on use of the data may result in relief from the contractor and permit use of the drawing for competitive purposes. However, even though a single drawing may have the limited rights annotation removed as a result of challenge, similar efforts for drawings within the same TRP may not be successful. Therefore, the expenditure of resources to clear the limitations for a single drawing, independent of other limited rights drawings may not be prudent. In the screening/rescreening process, all of the limited rights drawings in a TRP will be identified to the Engineering Data Management Officer (EDMO) which will determine appropriateness of challenge for all limited rights drawings within the TRP. The EDMO will make all reasonable efforts to acquire all rights required to permit procurement of the item competitively. However, piecemeal challenges of data limitations without regard to the probabilities of success as it relates to the entire TRP is discouraged.

12.2.5. In the event that data required to support competitive procurement is missing, the concept regarding limited data rights challenges applies to the acquisition of the missing data. Screeners will identify all missing data to the EDMO function which will determine the appropriateness of attempting to acquire any or all of it. Piecemeal procurement of individual drawings which does not lead to the useability of the TRP for competitive purposes may not be practical or prudent.

### **12.3. Initiation, Assembly and Maintenance of the TRP.**

12.3.1. When the TRP structure will be used, local policy shall designate a functional OPR (e.g., IMS, ES, or screening technician) for initiation, assembly, and maintenance of the TRP. If no TRP is available, the OPR will initiate the first actions to build the item's TRP when it makes the most sense--e.g., concurrently with initiation of the AMC/AMSC screening process (if the item will be screened); at the next buy's PR initiation; or whenever is most efficient. This includes subprocesses such as first article, contract quality requirements and so on. The TRP OPR will receive the completed documents prepared by the responsible technical specialists and will compile the draft TRP. When all necessary sections are available, the OPR finalizes the draft TRP and it is then available for use. The master TRP will be filed per local procedures.

12.3.2. The TRP will be appended to the PR in one of two manners, at local option:

12.3.2.1. The PR initiator will confirm that a current TRP is available before initiating the PR. Given that a current TRP is available, the IMS will initiate the PR and submit it to PR/MIPR Control. PR/MIPR Control will obtain a copy of the TRP during the coordination cycle and attach it to the PR.

12.3.2.2. The PR initiator will obtain a copy of the TRP and attach it to the PR prior to submitting the PR to PR/MIPR Control.

## Chapter 13

### TECHNICAL REQUIREMENTS PACKAGE SECTION 1: SCOPE

**13.1. General.** This chapter describes how to create Section 1 of the TRP, which consists of the scope and technical classification information. The equipment specialist is responsible for the content of Section 1 for item buys.

**13.2. Preparation Methods.** Initiators may use any format/media (such as personal computer-based word processing documents combined with existing forms) which communicates the information effectively and efficiently. AFMC Form 24, *Technical Requirements Package (TRP)* (Figure 13.1) is a general purpose TRP cover/transmittal sheet to be completed by the TRP OPR. It provides a checklist of key elements of the TRP which serves to alert the buyer or other user of special technical requirements. It also provides for an expanded item description (paragraph 13.3) and other technical notes to the buyer. The AFMC Form 24 is mandatory when the TRP structure is used, and is optional otherwise. Throughout the TRP where additional text (e.g., a word processor document) is added, use a consistent paragraph numbering scheme.

**13.3. Section 1 Content.** Section 1 is an abstract of the technical description of the item. It provides essential summary-level information which the buyer will use to synopsise the requirement in the Commerce Business Daily (CBD). The primary audience of this information is the prospective offeror reading the CBD. This abstract must convey sufficient information regarding the materials, manufacturing processes involved, dimensional tolerances and so on to allow the prospective offeror to make an informed decision as to whether or not they are interested. (See FAR 5.207 for additional guidance.) The total length of the description allowed by the CBD (including information added by the buyer) is 12,000 text characters, or 150 80-character lines (about 3 single spaced pages of 12-pitch type). Section 1 should contain the following information, as applicable (see Figure 13.1): (Note: when an acceptable abstract is loaded in the J023 master files and printed on the J023 PR, this section may reference the PR in lieu of repeating that information. However, be aware that the length of the J023 description is only 13 lines of 79 characters each—considerably less than allowed by the CBD.)

13.3.1. Date prepared (approved).

13.3.2. Introductory statement describing the purpose of the TRP.

13.3.3. Summary-level descriptive data, such as:

13.3.3.1. NSN.

13.3.3.2. Original design activity (ODA) CAGE and part number, and top level ODA CAGE and drawing number. List all sources by both CAGE and name, and show the exact item which would be provided by each source by listing that item's ODA CAGE, part number, and drawing number. When the item must meet a performance-type requirement, cite the performance item identification. When the contractor has a known item that conforms to the performance requirement, cite both identifications.

13.3.3.3. Overall dimensions, expressed as Item Length, Item Width, and Item Height. Specify also the Unit of Measure Code. Specify representative dimensional tolerances.

13.3.3.4. Remarks text, describing other pertinent form, fit, and function information, next higher assembly, end item, project or program, etc.

13.3.4. Technical classification(s), when a Government or industry standard has defined such classifications and/or categories. Identify the defining standard.

**13.4. Government Furnished Property (GFP).** Paragraph 18.7 describes the process for determining applicability of GFP to an item. When it is determined that GFP is potentially applicable or is required for future acquisitions, the list of potential/required GFP should be filed with the TRP Section 1. Upon initiation of a buy, the potential/required GFP list must be screened for availability per paragraph 18.7.

**Figure 13.1. AFMC Form 24, Technical Requirements Package Cover/Transmittal Sheet.**

AFMC FORM 24, JAN 93

[illegible]



## Chapter 14

### TECHNICAL REQUIREMENTS PACKAGE SECTION 2: APPLICABLE DOCUMENTS

**14.1. General.** This chapter describes how to create Section 2 of the TRP, which provides the Engineering Data List (EDL) and gives instructions on how prospective offerors may obtain copies of the listed drawings, specifications, and other documents. The screening technician (with engineer assistance as needed) is responsible for the content of Section 2 for item buys.

**14.2. Preparation Methods.** See para 13.2. Current AFMC systems automate the majority of Section 2 preparation under the structure of the Engineering Data List (EDL). Since the "master file" for the EDL is an automated database and is subject to update action at any time, the TRP master file will not contain a hardcopy printout. When the TRP is needed for a buy, the TRP OPR will print a current copy of the EDL. As an alternative, manually prepared EDLs may be used as long as all required information is presented in essentially the same format.

**14.3. Section 2 Content.** For items subject to competitive acquisition and possible award to a new source, Section 2 (the EDL) lists all applicable drawings, specifications, and other such documents in a logical sequence. The screening technician must indicate in all cases the availability/releasability of the documents, and provide accurate instructions for obtaining copies as appropriate (see para 14.6 below). For items restricted to acquisition from known sources, an EDL need not be prepared. The types of documents which may be cited include but are not limited to:

- Government specifications/standards.
- Adopted non-Government standards.
- International standardization documents.
- Handbooks.
- Drawings.
- Approved publications.

**14.4. Section 2 Format.** The EDL is a document produced from an automated database. Irrespective of how the documents were input into the EDL database, it is possible to produce the EDL output in many different document sorts/sequences, depending upon the needs of the intended audience. The information required for the EDL is listed in para 14.5. Procedures for use of the J090 EDL function are in the draft J090 User Manual. This manual will remain in draft and will be amended from time to time until the system is formally accepted. Contact your local Functional System Administrator to confirm the latest edition of the draft User Manual should any questions arise.

**14.5. Information Required on the EDL.** The screening technician will enter an EDL line item for each document (drawing, specification, etc.). Secondary references within cited standards and specifications need not be listed. However, the complete drawing list from top level to lowest level must be included.

14.5.1. Enter the following header data for each EDL. Depending on how the initiator entered the process, some or all of these may be system-filled.

14.5.1.1. Current date.

14.5.1.2. Data Tech Code.

14.5.1.3. Organization Symbol.

14.5.1.4. PR or MIPR Number. (May be left blank; PR initiator may handscribe on the EDL at time of use.)

14.5.1.5. Application Program Code.

14.5.1.6. Commercial and Government Entity (CAGE) Code of the original design activity.

14.5.1.7. Name of the original design activity.

14.5.1.8. Part Number of the EDL item.

14.5.1.9. Noun (Nomenclature Text).

14.5.1.10. National Stock Number.

14.5.2. Enter the following data for each document listed.

14.5.2.1. Commercial and Government Entity Code (CAGE) of the design activity assigned to the document for identification purposes.

14.5.2.2. Type of document code.

14.5.2.3. Drawing Number (use this field for both drawings and other documents\_enter the applicable document short title, such as MIL-STD-129).

14.5.2.4. Drawing Revision Code.

14.5.2.5. Drawing Sheets Quantity.

14.5.2.6. Drawing Cards Quantity.

14.5.2.7. Drawing Furnished Code.

14.5.2.8. Drawing Distribution Code.

14.5.2.9. Drawing Noun (optional entry).

14.5.2.10. Drawing Requirements Text.

14.5.3. Enter EDL Remarks as necessary.

14.5.4. Each ALC will designate an office responsible for maintaining the system file of approved Standard Engineering Text statements, and will establish submission/review/approval channels for users to identify and establish needed statements. Select the necessary statements from the established system file for inclusion in the EDL.

**14.6. Document Availability/Source Addresses.** The EDL "Drawing Furnished Code" identifies how the prospective offeror may obtain the drawing or document. This code, coupled with certain additional information in the Standard Engineering Text area, triggers the application (or non-application) of FAR and DFARS solicitation provisions. The following actions are triggered by the indicated codes:

14.6.1. "S", "M", "P", and "X" indicate that the document is to be furnished with the solicitation. For these documents, no further availability/source address data is required.

14.6.2. "R" indicates that the prospective offeror must request a copy of the document from the acquiring activity. This tells the buyer to apply the provision at DFARS 252.210-7001. The EDL OPR must insert the applicable address for those requests in the Standard Engineering Text area.

14.6.3. "G" indicates a Government document (MIL-SPEC, FED-STD, etc.) listed in the DOD Index of Specifications and Standards (DODISS) which will not be furnished with the solicitation. This tells the buyer to apply the provision at FAR 52.210-2, which contains full instructions for ordering from the Standardization Document Order Desk. There is no need to include such ordering instructions in the Standard Engineering Text area.

14.6.4. "O" indicates a non-Government document (e.g., a voluntary industry standard which has not been adopted by DOD for listing in the DODISS) which is not furnished with the solicitation. This code tells the buyer to apply the provision at FAR 52.210-2 (the provision refers the prospective offeror to the originator of the desired standard).

14.6.5. "C" indicates a classified document, which invokes the necessary security safeguards and procedures. See para 3.1.5 for further detail.

14.6.6. "A" and "V" indicate documents which are not supplied with the solicitation. "A" documents are not available from any Government source; "V" documents are available from the acquiring activity but are not supplied because they are vendor drawings already held by the sole-source vendor. No further source/availability information is needed in the Standard Engineering Text area.

**14.7. Availability for Examination.** The provision at DFARS 252-210.7002 allows the acquiring activity to make a copy of the data package available for examination without incurring the expense of reproduction and distribution. This may be appropriate in cases involving exceptionally large numbers of drawings and many interested sources. Because there is no code to indicate this option on the EDL, the data technician must use the Standard Engineering Text area to identify this election and provide the address where the package may be examined.

## Chapter 15

### TECHNICAL REQUIREMENTS PACKAGE SECTION 3: REQUIREMENTS

**15.1. General.** The TRP OPR will use Section 3 of the TRP to compile the various technical requirements for production of the item. These requirements are defined as necessary by specialists in the engineering, technical data, and technical support areas.

**15.2. Preparation Methods.** See para 13.2. Technical requirements documented on an AFMC form (e.g., First Article on the AFMC Form 260) may be documented in the TRP by inclusion of those forms in the appropriate sequence. For other technical requirements, technical specialists should use available word processing capability to document the requirement in the Engineering Instructions (EI). Note that use of the forms may be discontinued if the technical requirement is documented within the EI (and, other information on the form is documented in other appropriate sections of the TRP).

**15.3. Section 3 Content.** The requirements documented in Section 3 must represent the essential minimum criteria necessary to ensure satisfactory delivery of conforming items. The technical specialists must balance the need for a technical requirement (e.g., hardness criteria) against its impact on total life cycle cost, and ensure that requirements inflation does not inappropriately increase costs. The specialist must develop requirements in such a manner as to allow as much competition among sources as possible. The wording used must avoid unnecessarily restrictive features, as well as ambiguous statements. The requirement statements must provide a clear basis for rejection of nonconforming items.

**15.4. Section 3 Format.** The following paragraphs prescribe the general areas of technical requirements to be addressed in Section 3. The discussion sequence provides a suggested sequence for Section 3; deviations are allowed. Technical specialists must use discretion and good technical judgment in determining which of the following areas need to be included, as well as in identifying and including additional technical requirements not discussed below.

#### **15.5. Materials/Composition.**

15.5.1. When the drawings and their invoked specifications/standards fully describe the materials and composition of the item, the TRP initiator need not repeat those requirements. However, in certain circumstances it is wise to call the contractor's attention to critical material/composition requirements. The initiator may in Section 3 either reference the requirement as stated on the drawing, or explicitly reiterate it. The following cases illustrate where this may be appropriate:

- Safety critical screw threaded components.
- Hardness critical items.
- High temperature alloys.
- Magnetic materials.
- Honeycomb bonded material.
- Precious metals.
- Jewel bearings.

15.5.2. The initiator will ensure that there is no requirement established for the use of virgin materials or prohibiting the use of recovered materials, unless:

- the intended use of the item or its useful lifespan will be jeopardized by the use of recycled or reclaimed materials, or
- the terms of any existing warranty on the item, next higher assembly, or system will be violated if reclaimed or recycled materials are used.

15.5.3. "Hazardous materials" (HAZMATs) are defined in Fed-Std-313. Due to the hazards they pose and the added life cycle costs when HAZMATs are part of an item or used in performance of a service, use of HAZMATs must be minimized. Where use or delivery cannot be avoided, the contractor must comply with marking and reporting requirements. When possible, Government technical personnel must modify technical requirements to reduce the delivery of HAZMATs into the Government inventory, as well as reduce the use of HAZMATs in the production process. We must also allow contractors the opportunity to propose less hazardous alternatives. For all buys, the technical specialist must include the following requirements in Section 3:

15.5.3.1. For developmental items (where materials to be used are not already explicitly called out), a requirement that the offeror's proposal minimize use of HAZMATs.

15.5.3.2. For established items (where materials to be used are HAZMATs, and are already explicitly called out), a requirement that the offeror's proposal identify less-hazardous alternatives where possible and cost-effective. Include in Section 1 a note instructing the buyer where to forward alternative proposals for evaluation. (Note that the responsibility to evaluate HAZMAT alternatives lies principally with the technical and requirements communities.)

15.5.3.3. In the interests of reducing HAZMAT purchases, technical specialists should consider those items whose material composition is not explicitly defined by the Government data package and which have a substantial HAZMAT content/reduction potential. For such items, selectively include a requirement for the offeror to describe the technical nature of the hazard when the proposed deliverable is hazardous per Fed-Std-313; or to state that the proposed deliverable is not hazardous under current rules and regulations. This allows full evaluation of HAZMAT characteristics prior to award. Include in Section 1 a note to the buyer:

- instructing the buyer to include HAZMAT characteristics as an evaluation factor (include clear instructions indicating whether HAZMAT characteristics should be given consideration equal to, greater than, or less than price, delivery, and other evaluation factors); and
- telling the buyer where to forward the proposals for evaluation (note that the responsibility to evaluate HAZMAT alternatives lies principally with the technical and requirements communities); and
- instructing the buyer to delete the Contract Data Requirements List (CDRL) line item for the MSDS(s) when the successful offeror has certified that the deliverable does not include HAZMATs.

15.5.3.4. When requirements and technical personnel evaluate competing HAZMAT offers, or HAZMATs versus less-hazardous alternatives, they must consider life cycle costs rather than merely the instant acquisition costs. Evaluation should also consider factors such as delivery and HAZMAT-reduction potential. The requirements and technical personnel determine the relative ranking of these factors. This ranking may change from item to item and from buy to buy, and is

influenced by such factors as the relative degree of hazard posed by the item (i.e., how badly do we want to eliminate this hazard from the inventory?) Note that the results of the evaluation may result in cancellation of the solicitation and a resolicitation for the alternative. On the other hand, it may make better sense (from a mission support or other standpoint) to proceed with the original solicitation and defer purchase of the less-hazardous alternative to the next buy cycle. Also, note that when HAZMATs are on a Qualified Products List (QPL) and a less-hazardous alternative is identified, the QPL must be modified to drop the HAZMATs before preference can be given to the less-hazardous alternative.

15.5.3.5. For all buy requirements, a requirement that the contractor must immediately submit an MSDS per Fed-Std-313 to the cognizant equipment specialist (specifically identified) should rules and regulations change so as to make a previously non-hazardous item become "hazardous" per Fed-Std-313. (Note that this requirement expires when deliveries are completed, services performed, or the contract is terminated.)

15.5.3.6. AFFARS 5310.002-71(90) prohibits the delivery of Class I Ozone Depleting Chemicals (ODCs) into the Air Force inventory, as well as their use in performance of services for the Air Force. If delivery or use is unavoidable, follow the procedures in AFFARS 5310.002-71(90) to obtain a waiver. Otherwise, ensure to the best of your knowledge and belief that the requirement does not call for the delivery or use of Class I ODCs and include a statement to that effect.

**15.6. Surplus Materiel.** As an alternative to new manufacture of items, surplus materiel may be available to satisfy the requirement at a substantial savings. When surplus materiel has previously been offered or when there is a known possibility that it may be offered in the future, the Equipment Specialist must comply with the following paragraphs. Note that the determination is based solely on technical suitability, not on whether or not surplus is available at this time. Include in Section 3 requirements defining what types/conditions of surplus are acceptable and the associated quality assurance tests. The AFMC Form 813, *Surplus Materiel Worksheet* (Figure 15.1), facilitates this. Instructions are on the back of the form.

#### 15.6.1. Types of Surplus Materiel.

15.6.1.1. "Government surplus materiel" means materiel which was purchased and accepted by the Government and subsequently sold at disposal or available for sale at DRMO.

15.6.1.2. "Commercial surplus materiel" is (1) materiel, including commercial off-the-shelf items manufactured for either Government or commercial use (e.g., production overrun quantities), which has never been sold to or accepted by the Government; or (2) materiel which would be considered "new manufactured" except that it is not held by the actual manufacturer, the system contractor or subsidiary, successor, or distributor.

15.6.1.3. "New manufactured materiel," by contrast to the surplus definitions, means materiel manufactured by a qualified manufacturer which has a Government-approved in-process quality system meeting the requirements of the current solicitation. Previously manufactured materiel is considered "new manufactured" as long as it is new and unused and is held by the actual manufacturer, the system contractor or subsidiary, successor, or distributor.

15.6.2. Surplus Materiel Condition Categories. Each of the types of surplus may be further defined by the condition of the items.

Figure 15.1. AFMC Form 813, Surplus Materiel Worksheet.

SURPLUS MATERIEL WORKSHEET										DATE		
I. REQUEST FOR EVALUATION												
FBN			PART NUMBER			CAGE			APPLICATION			
TMS						OFFICE SYMBOL			PHONE			
SURPLUS MATERIEL MAY BE AVAILABLE TO FULFILL THE GOVERNMENT'S NEEDS FOR THIS ITEM. AS A RESULT, AN EVALUATION MUST BE PERFORMED (AFMCFARS SUPPLEMENT PART 5304).												
<input checked="" type="checkbox"/> THE EVALUATION OF THIS ITEM INDICATES SURPLUS MATERIEL WILL BE CONSIDERED IN THE FOLLOWING TYPES AND CATEGORIES												
II. EVALUATION CRITERIA (if or types/categories deemed acceptable)												
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">S G U O R V P T L U S</div> <div style="text-align: center;">NEW/UNUSED</div> </div>												
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">S G U O R M P M L U S</div> <div style="text-align: center;">NEW/UNUSED</div> </div>												
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">S G U O R M P M L U S</div> <div style="text-align: center;">NEW/RECONDITIONED</div> </div>												
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">S G U O R M P M L U S</div> <div style="text-align: center;">NEW/MODIFIED</div> </div>												
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">S G U O R M P M L U S</div> <div style="text-align: center;">USED/OVERHAULED</div> </div>												
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">S G U O R M P M L U S</div> <div style="text-align: center;">USED/OVERHAULED</div> </div>												
SURPLUS EVALUATION CRITERIA (If Section I has indicated surplus materiel may be considered, fill in items as appropriate) PART NUMBER VERIFICATION (AFMCFARS 5352.291-6013) MFG _____ P/N _____ PRIOR GOVERNMENT OWNERSHIP (AFMCFARS 5352.291-6015) _____ 100% END ITEM INSPECTION (AFMCFARS 5352.291-6049) _____ TEST AND VERIFICATION (AFMCFARS 5352.291-6012) TECH ORDER NUMBER _____ VERIFIABLE DIMENSION (AFMCFARS 5352.291-6011) DESIGN ACTIVITY _____ DRAWING NUMBER _____ (LOCATION OF INSPECTION/TESTING (AFMCFARS 5352.291-6014) _____ INITIAL ACCEPTABLE ITEMS (AFMCFARS 5352.291-6013) A/C QUANTITY OF _____ ITEMS WILL BE TESTED FOR INITIAL ACCEPTANCE. TEST WILL BE CONDUCTED USING THE FOLLOWING CRITERIA (indication of testing) _____ _____ OVERHAUL AND CERTIFICATION (AFMCFARS 5352.291-6020) _____ OTHER SPECIAL REQUIREMENTS (checked) _____												
REMARKS												
JUSTIFICATION FOR UNACCEPTABLE SURPLUS MATERIEL												
EVALUATOR			SHOW USE			OFFICE SYMBOL			PHONE		DATE	

Figure 15.2. AFMC Form 813 (Continued).

INSTRUCTIONS
<p>This worksheet will be used to evaluate all categories of surplus materiel. Condition categories, inspection dates and the section level signature are included in the worksheet.</p> <p>Key points to remember when processing the AFMC Form 813.</p> <p>A. All surplus materiel types/conditions must be evaluated.</p> <p>B. Determination must be based upon technical characteristics of the item.</p> <p>C. The ES will determine acceptability of surplus materiel types/conditions.</p> <p>D. The engineer will review the determination.</p> <p>TYPES OF SURPLUS MATERIEL (AFMCFARS 5391.101)</p> <p>COMMERCIAL SURPLUS MATERIEL means commercial off-the-shelf items manufactured for either commercial or government use which have never been sold to or accepted by the Government and are not considered to be "new manufactured materiel".</p> <p>GOVERNMENT SURPLUS MATERIEL means materiel which was purchased and accepted by the government and subsequently sold for disposal.</p> <p>NEW MANUFACTURED MATERIEL means materiel manufactured by a qualified manufacturer which has a government approved quality system which meets the materiel shall be considered new manufactured materiel so long as it is held by the actual manufacturer, the system OEM or subsidiary, successor, or distributor.</p> <p>SURPLUS MATERIEL CONDITION CATEGORIES (AFMCFARS 5391.102)</p> <p>NEW AND UNUSED means materiel not having been previously installed and not showing evidence of deterioration, evidence of disassembly or reassembly, nor any evidence of reconditioning in any manner.</p> <p>NEW AND RECONDITIONED means materiel not having been previously installed and not showing evidence of deterioration. Materiel may be reconditioned to the extent that gaskets, seals, O-rings or other cureable items are replaced. Materiel offered may have already been reconditioned or require reconditioning prior to usage.</p> <p>NEW AND MODIFIED means materiel not having been previously installed and not showing deterioration. Components may be replaced for the purpose of configuration update and/or modification. Materiel offered may have already been modified or require modification prior to usage.</p> <p>USED AND OVERHAULED means materiel which has been previously installed in operational equipment but has been or can be completely overhauled, repaired, reconditioned, or modified to serviceable status.</p>

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15.6.2.1. "New and unused" means the materiel has never been installed or used. It shows no signs of rust, corrosion, or other deterioration due to age or improper packaging/preservation. It has not been reconditioned and shows no evidence of disassembly or reassembly.

15.6.2.2. "New and reconditioned" means the materiel has never been installed or used. It shows no signs of rust, corrosion, or other deterioration due to age or improper packaging/preservation. Reconditioning is allowed to the extent that gaskets, seals, O-rings, or other such cure-dated items have been or will be replaced prior to use in accordance with the applicable technical specifications.

15.6.2.3. "New and modified" means the materiel has never been installed or used. It shows no signs of rust, corrosion, or other deterioration due to age or improper packaging/preservation. Components may have been (or may need to be) replaced in accordance with the applicable technical specifications for the purpose of configuration update or modification.

15.6.2.4. "Used and overhauled" means materiel which has been previously installed in operational equipment. It has been or can be completely overhauled, repaired, reconditioned, or modified per the applicable technical specifications to serviceable status.

15.6.3. Determination of Surplus Acceptability. The ES, in coordination with the responsible engineer, will determine which types/conditions of surplus are acceptable. A decision that any or all types/conditions are unacceptable must be supportable on the grounds that (1) the item's technical characteristics (e.g., a direct linkage to safety of flight or life support) require an extreme degree of reliability; or (2) it is impossible to develop realistic and feasible inspection and acceptance criteria (e.g., lack of technical drawings or the fact that an adequate evaluation on a complex part would take too long to satisfy the requirement by the need date). Further guidance for particular types/conditions is provided below:

15.6.3.1. New and unused Government surplus generally must be considered as acceptable. The only exception is for items of such criticality that failure could directly cause loss of life or catastrophic failure of a weapon system. Because these items were previously accepted by the Government, inability to develop realistic and feasible inspection and acceptance criteria cannot be used to disqualify the potential offer. However, the offered materiel must have been manufactured by a currently approved source when source approval restrictions currently exist; and the materiel must have been suitably warehoused since being sold by the Government when environmental control is currently required. The ES must therefore include such special requirements with the Section 3 Surplus Materiel requirements when applicable, especially in cases where materiel was formerly acquired without those restrictions.

15.6.3.2. Other conditions of Government surplus may be indicated as acceptable only when there is no technical reason for rejection and realistic and feasible inspection and acceptance criteria can be established.

15.6.3.3. The four conditions of commercial surplus may be indicated as acceptable only when there is no technical reason for rejection and realistic and feasible inspection and acceptance criteria can be established.

15.6.3.4. If no surplus is acceptable, specify in Section 3 a requirement that only new manufactured materiel is acceptable and indicate the technical justification for this restriction. If the AFMC Form 813 is included in the TRP Section 3, record this determination on the AFMC Form 813 rather than in the Section 3 itself.

15.6.4. For those categories of surplus deemed acceptable, the ES will establish the appropriate inspection criteria from the following list (reflected on the AFMC Form 813, Block II.B) providing the information needed to complete the cited clause:

15.6.4.1. Overhaul and certification by an FAA licensed facility: "Items must have been overhauled and certified by a Federal Aviation Administration licensed facility."

15.6.4.2. Part number verification: "Items must be of the correct part number, (ENTER PART NUMBER), and must have been manufactured by (ENTER MANUFACTURER'S NAME/MFC APPEARING ON CONTRACTOR'S CERTIFICATE)."

15.6.4.3. Verifiable dimensions: "Items furnished must meet all dimensions verifiable without disassembly of (ENTER DESIGN ACTIVITY'S NAME AND DRAWING NUMBER)."

15.6.4.4. Test and verification: "Items will be subjected to test and verification by subjecting items to all physical, verifiable dimensional and performance requirements of Technical Order \_\_\_\_\_."

15.6.4.5. Initial Acceptability Items: "The Initial Acceptability Items (IAI) will be inspected to determine if they comply with all verifiable dimensional and material requirements for the item identified below. If acceptable, the IAIs will be returned to the Contract Administration Office to be used to inspect the remaining items."

15.6.4.6. Location of inspection testing: "The inspection/testing must be performed at a facility selected by the contractor and approved by the Contract Administration Office."

15.6.4.7. Prior Government ownership of items: "That the items were previously owned by the Government must be evidenced by the item marking contained on the original shipping containers or name plate."

15.6.4.8. percent end item inspection: "A 100 percent end item inspection is required." Note that this refers to an inspection of each and every item in the lot for acceptability, but does not mean a 100 percent inspection of each and every dimension/characteristic.

15.6.4.9. The ES may also indicate other special requirements as needed to ensure conformance.

15.6.5. Unexpected Offers of Surplus. When the TRP does not address surplus acceptability and an offer of surplus is received, the buyer will suspend actions on the solicitation and notify the ES. The ES will immediately determine if surplus is acceptable as described above and provide guidance to the buyer. The buyer will then modify the solicitation as necessary and proceed with the contracting actions.

**15.7. Surplus Materiel for FMS Customers.** Surplus materiel may be offered in response to a solicitation in support of FMS customers. However, the buyer may not award to the surplus offeror without the agreement of the FMS customer. If it is likely that surplus will be offered for an FMS PR, the ES should consult with the FMS case manager at the Air Force Security Assistance Center (AFSAC) to determine surplus acceptability and forward a new AFMC Form 813 with the TRP attached to the FMS PR. If this is not done and surplus offers are received, the buyer must suspend action until the ES obtains the FMS customer's determination through the AFSAC.

**15.8. Design, Construction, and Physical Characteristics.** These aspects are generally specified in the applicable drawings, incorporated standards/specifications, and so on. As necessary, include in Section 3 supplemental requirements with respect to these aspects.

**15.9. Performance Requirements.** These aspects are generally specified in the applicable drawings, incorporated standards/specifications, and so on. As necessary, include in Section 3 supplemental requirements with respect to reliability, maintainability, energy efficiency, and operational performance parameters.

**15.10. Warranty Requirements.** Certain items or systems may be good candidates for application of a warranty. When the responsible program manager determines that a warranty is appropriate, he or she will request technical evaluation and input to the warranty requirements, and provide input for Section 3 documenting the type of warranty required, terms and conditions for enforcement, corrective actions to resolve warranty claims, and so on. See AFMAN 64-110, *Manual for Weapon System Warranties*, for detailed guidance on weapon system warranty management, and AFM 67-1, Vol I, Part One, Section J for commodity warranties. Note that warranty requirements also invoke special serial numbering (where necessary) and marking requirements (see paragraph 17.11).

**15.11. System Security Engineering and Product Security.** When applicable to the item, system, or service to be acquired (see para 3.3), the technical specialist in coordination with the responsible resource protection office must include a requirement in Section 3 for the necessary security considerations and measures.

**15.12. Pre-Award Qualification Requirements.** Pre-Award qualification requirements are tests and other quality assurance demonstrations which must be completed before a contract is awarded. The effect of a pre-award qualification requirement is to ensure that only known, proven sources are considered for award of the contract. However, this may severely restrict competition on any given solicitation, which may raise the cost. When pre-award qualification requirements are applicable to the item or service to be acquired, the engineer must document in Section 3 the existence of the qualification requirement and specifically describe the actions to be taken by the prospective contractor to become qualified, including a description of the test routine to be employed. If no written test details have been developed, this section must identify that the requirement is "grandfathered" (established prior to 1984) or that the requirement for written test procedures has been waived per FAR 9.202(b). In Section 1, include a note calling the buyer's attention to this requirement.

15.12.1. FAR 9.2 contains detailed policy and procedures relating to qualification requirements.

15.12.2. The discussion of the qualification requirement must include details specifying why the qualification must be demonstrated prior to contract award (normally related to the time needed for testing/retesting and the fact that qualification can be accomplished independently of a buy action, thereby avoiding negative impact of longer lead time during the actual buy). It must also address the estimated cost of qualification to be incurred by the potential source.

**15.13. First Article Requirements.** When applicable to the item to be acquired, the Responsible System Engineering Authority (RSEA) must include in Section 3 a requirement for First Article inspection and fully describe the test procedures and conditions (if any) for waiver. This is documented using the AFMC Form 260, *First Article Requirements* (Figure 15.2). Instructions are on page 3 of the form.

15.13.1. Detailed policy on the use of First Article test and evaluation can be found in FAR Subpart 9.3 and AFMCR 70-22, *First Article Management* (AFMCI 64-110, pending). First article requirements are used to ensure that the contractor can provide an item that conforms to specified contract requirements. This applies to vendors as well as manufacturers; however, first article requirements should not be used for products normally sold in the commercial market (as specified in FAR 9.304). Any first article solicitation or purchase document must contain detailed technical requirements, and adequate quality assurance provisions to ensure the contractor is capable of furnishing or manufacturing the item.

15.13.2. During the item technical screening, the RSEA will determine if first article inspection is required. The decision should be based on careful consideration of the following: technical aspects of the item, cost of first article testing, safety risk of not testing, impacts to delivery schedule, and other pertinent factors. Give special attention to items with a history of excessive Product Quality Deficiency Reports (PQDRs), or for which a Government Industry Data Exchange Program (GIDEP) alert has been issued. First article inspection should not be used in contracts for research or development efforts, commercial products, or products requiring pre-award qualification. (Exception: For items with pre-award qualification requirements, first article inspection may be used to revalidate a previously qualified producer's capabilities when it has been more than 36 months since that producer delivered a production lot of the item.) First article inspection is expensive and will not be used to qualify a product (that is, to determine its suitability for a given use or application), nor as a technique to measure production quality. Use first article inspection only to assess a producer's ability to manufacture an item in conformance with the data package.

15.13.3. When possible, set up the test procedures to make use of delegations to the Defense Contract Management Command (DCMC) Contract Administration Services (CAS), with a Quality Assurance Letter of Instruction (QALI) or Memorandum of Agreement (MOA), for first article inspection at contractor facilities. Delegations should specify concurrent testing, surveillance/inspection of major or critical characteristics, and test report development and processing (as applicable). For guidance, consult AFI 63-502, *Air Force Contract Quality Assurance*, (pending) and AFP 74-17, *Defense In-Plant Quality Assurance Program*.

Figure 15.3. AFMC Form 260, First Article Requirements.

FIRST ARTICLE REQUIREMENTS (AFMCI 64-110, AFMCR 57-7 and FAR Part 9, Sub Part 9.3) (Additional Instructions on Page 3)			1. DATE
2. P/R/MIPR NUMBER	3. PART NUMBER	4. NSN	
5. FIRST ARTICLE QUANTITY THE FIRST ARTICLE IS( _____ )/ITEM _____ AND WILL BE: <input checked="" type="checkbox"/> PART OF PRODUCTION QUANTITY <input checked="" type="checkbox"/> IN ADDITION TO PRODUCTION QUANTITY			
6. ARTICLES <input checked="" type="checkbox"/> WILL <input checked="" type="checkbox"/> WILL NOT SERVE AS A MANUFACTURING STANDARD		7. LONG LEAD TIME ITEMS <input checked="" type="checkbox"/> REQUIRED <input checked="" type="checkbox"/> NOT REQUIRED <i>(See FAR 52.209-3 or -4, alternate II)</i>	
8. SPECIAL REQUIREMENT/PRODUCTION FACILITIES <i>(See FAR 52.209-3 or -4 Alternate I)</i> <input checked="" type="checkbox"/> REQUIRED <input checked="" type="checkbox"/> NOT REQUIRED <i>"The First Article offered must be manufactured at the facilities in which that item is to be produced under the contract, or if the First Article is a component not manufactured by the contractor, such component must be manufactured at the facilities in which the component is to be produced for the contract. A certification to this effect must accompany each First Article which is offered."</i>			
9. TEST/INSPECTION REQUIREMENTS A. <input checked="" type="checkbox"/> CONTRACTOR TESTING <input checked="" type="checkbox"/> GOVERNMENT TESTING Performance or other characteristics which the First Articles must meet _____ _____ _____ B. The detailed technical requirements for First Article approval tests are contained _____ <i>(Cite Spec and Para number)</i> C. <input checked="" type="checkbox"/> TEST PLAN REQUIRED (1) DD Form 1423 ELIN _____ (2) Delivery due _____ ndar days from date of contract. (3) Number of days for government approval/disapproval _____. D. Contractor's notification to ACO and _____ <i>(Requesting Activity)</i> of test time and location due _____ s prior to start of testing. E. <input checked="" type="checkbox"/> TEST REPORT REQUIRED (1) DD Form 1423 ELIN _____ (2) Due _____ ndar days from date of contract. (3) Forwarded to _____ <i>(Enter Address of Office to Receive Report)</i> (4) Government written notice of approval/disapproval due _____ days after receipt of contractor's report.		F. FIRST ARTICLE DELIVERY: (1) Due within _____ ndar days from date of contract. (2) Notify _____ ndar days prior to shipment. (3) Delivered to government at _____ _____ <i>(Set forth Consignee and Address)</i> (4) Government written notice of approval/disapproval within _____ days after receipt of first article package. G. Estimated cost of government testing/inspection evaluation _____	
10. DISPOSITION OF FIRST ARTICLES <input checked="" type="checkbox"/> Approved First Articles will be forwarded to _____ <input checked="" type="checkbox"/> _____ <i>(insert quantity)</i> first articles will be expended in testing. Residual components of disapproved first articles <input checked="" type="checkbox"/> returned to the contractor/ <input checked="" type="checkbox"/> be retained by _____ing disposition instructions from the contractor. <input checked="" type="checkbox"/> First articles will be installed on aircraft/equipment to determine proper fit/function. Approved article will remain on the aircraft/equipment and will not be forwarded to USAF Supply, but will be considered part of the contract quantity.		<input checked="" type="checkbox"/> Disapproved first articles will be returned to the contractor/ <input checked="" type="checkbox"/> be retained by _____ disposition instructions from the contractor. <input checked="" type="checkbox"/> On purchase requests designated as direct shipments the following disposition will apply. ( NOTE: Always applicable on Foreign Military Sales(FMS)). a. Approved first articles will be returned to the contractor for shipment with production item. b. Disposition of disapproved first articles will remain the same as marked above. <input checked="" type="checkbox"/> Other Disposition: _____ _____ _____	

<b>11. CONDITIONS FOR WAIVER OF FIRST ARTICLE APPROVAL</b>			
a.	<input checked="" type="checkbox"/>	Officers who have previously furnish production quantities of the same or similar article to the prime contractor for delivery to the <u>  X  </u> Government, <u>  X  </u> <u>  X  </u>	
b.	<input checked="" type="checkbox"/>	Officers currently in production of the same or similar article for a <u>  X  </u> ment, <u>  X  </u> <u>  X  </u> <u>  X  </u> contract and who have received First Article approval under the existing contract.	
c.	<input checked="" type="checkbox"/>	Officers who have previously furnished production quantities of the same or similar articles for a <u>  X  </u> ment, <u>  X  </u> <u>  X  </u> <u>  X  </u> if Force provided articles thus furnished have exhibited satisfactory performance in service, in the opinion of the Air Force.	
d.	<input checked="" type="checkbox"/>	Provided not more than _____ months have elapsed since completion of the contract.	
e.	<input checked="" type="checkbox"/>	First Article testing will not be waived.	
f.	<input checked="" type="checkbox"/>	See Remarks in block 12 below.	
<b>NOTE TO BUYER:</b> UNDER CONDITIONS A AND C ABOVE, THE COGNIZANT ENGINEERING ACTIVITY WILL DECIDE WHETHER OR NOT THE ITEM HAS EXHIBITED SATISFACTORY PERFORMANCE IN SERVICE AND PREPARE AND RETAIN SUPPORTING DOCUMENTATION TO FULLY JUSTIFY THIS DECISION. THE BUYER MUST SOLICIT DUAL PRICES (True to both with and without requirement for first article approval) AND MUST FURNISH THE COGNIZANT ENGINEERING ACTIVITY WITH THE FOLLOWING INFORMATION ON THE PREVIOUSLY SUPPLIED ARTICLE:			
A. PROCURING OFFICE	B. CONTRACT NUMBER	C. DATE OF CONTRACT	D. SPECIFICATION NUMBER AND REVISION
<b>12. REMARKS</b>			
<b>13. COGNIZANT ENG ORGANIZATION RESPONSIBLE FOR CONDUCTING AND/OR APPROVING TEST</b> (Name, Organization, Phone)		<b>14. PR INITIATOR</b> (Name, Organization, Phone)	

Figure 15.5. AFMC Form 260 (Continued).

## INSTRUCTIONS FOR COMPLETION OF FIRST ARTICLE TEST REQUIREMENTS (AFMC Form 260)

**BLOCKS 1 - 4 AND 15.** WILL BE COMPLETED BY THE INITIATOR OF PURCHASE REQUEST.

**BLOCKS 5 THRU 11, AND 13.** WILL BE COMPLETED BY THE ENGINEER AND/OR EQUIPMENT SPECIALIST. IF LOCAL PURCHASE, INITIATOR OF PURCHASE REQUEST SHALL COMPLETE.

**BLOCKS 1 THRU 4.** SELF-EXPLANATORY

**BLOCK 5.** INSERT QUANTITY OF FIRST ARTICLE TO BE TESTED. INDICATE WHETHER THE FIRST ARTICLE ITEM IS PART OF OR IN ADDITION TO THE PRODUCTION QUANTITY. *(Normally the First Article in "Contractor Testing" are delivered (if not destroyed) with the production items.)* PER FAR 9.301 FIRST ARTICLE MEANS: PREPRODUCTION MODELS/SAMPLES, INITIAL PRODUCTION SAMPLES, TEST SAMPLES, FIRST LOTS, PILOT MODELS OR PILOT LOTS.

**BLOCK 6.** INDICATE WHETHER OR NOT THE FIRST ARTICLE WILL SERVE AS A MANUFACTURING STANDARD. (FAR 9.306 (f)).

**BLOCK 7.** SEE FAR 52.209-3 OR -4, ALTERNATE II.

**BLOCK 8.** SEE FAR 9.308

**BLOCK 9.** MUST BE CHECKED TO INDICATE WHETHER THE CONTRACTOR OR THE GOVERNMENT IS TO PERFORM TESTING. (FAR 9.306)

A. THE SPECIFIC PARAGRAPH(S) OF THE SPECIFICATION MUST BE INCLUDED OR THE PARTICULAR REQUIREMENTS CITED.

B. THE SPECIFIC PARAGRAPH(S) OF THE SPECIFICATION MUST BE INCLUDED OR THE PARTICULAR REQUIREMENTS CITED.

C. THIS PARAGRAPH IS OPTIONAL AND IS REQUIRED ONLY WHEN A TEST PLAN IS REQUIRED. THE REQUIRED ENTRIES ARE SELF-EXPLANATORY.

D. THE "NUMBER OF DAYS" ENTRY SHOULD BE FAR ENOUGH IN ADVANCE OF THE TESTING TO PERMIT ANY GOVERNMENT REPRESENTATION AT THE TESTING SITE.

E. THIS PARAGRAPH IS SELF-EXPLANATORY. *(NOTE: All dates must be realistic and include adequate production and administrative lead times.)*

F (1). THE DELIVERY DATE MUST BE REALISTIC AND INCLUDE ADEQUATE PRODUCTION AND ADMINISTRATIVE LEAD TIMES.

(2). THIS NOTIFICATION SHOULD BE NO LESS THAN TEN DAYS.

(3). ENTER ADDRESS WHERE FIRST ARTICLE IS TO BE DELIVERED FOR TESTING.

(4). THIRTY DAYS OR LONGER NOTIFICATION MUST BE CONSIDERED WHEN GOVERNMENT TESTING REQUIRES SPECIAL FIXTURES AND/OR AIRCRAFT.

G. THIS ESTIMATE SHOULD BE AS ACCURATE AS POSSIBLE AND INCLUDE GOVERNMENT LABOR COSTS FOR TESTS; TOOLS/TEST EQUIPMENT; GOVERNMENT TEST FACILITY USE; TIDY COSTS, TRANSPORTATION OF FIRST ARTICLE TO TEST SITE; GOVERNMENT EVALUATION OF CONTRACTOR TEST REPORT; ETC.

**BLOCK 10.** APPLIES TO GOVERNMENT TESTING. APPLIES TO CONTRACTOR TEST ONLY IF ITEMS ARE NOT SUBMITTED AS PRODUCTION UNITS. IN THESE CASES CITE DISPOSITION.

**BLOCK 11.** SELF-EXPLANATORY. SIMILAR ARTICLES ARE THOSE WHICH, FOR PURPOSE OF MANUFACTURE, ARE SUBSTANTIALLY THE SAME AS THE ITEM BEING PURCHASED *(For example items that differ only in size or in place of operation (i.e., left vs right side of aircraft))*

**BLOCK 12.** SELF-EXPLANATORY.

**BLOCK 13 AND 14.** SELF-EXPLANATORY.

**15.14. Documenting the First Article Requirement.**

15.14.1. The RSEA specifies whether first article inspection is required in Section D of the AFMC 761, *AMC/AMSC Screening Analysis Worksheet*.

15.14.2. The RSEA completes the AFMC Form 260, per the instructions on the form. Include the form in the TRP Section 3.

15.14.3. The first article requirement documentation must include the rationale for requiring first article testing. RSEA management approval is required for first article testing requirements when the PR value or annual buy value is less than \$25,000. (Such items should be examined closely in light of the cost to pursue competition. The economic evaluation may drive assignment of a restrictive AMSC.) First article tests should not be requested where the first article is the only deliverable item of its type on the PR. In such circumstances, consider use of destination inspection and acceptance in lieu of first article inspection.

15.14.4. First article inspection may impose special requirements. The RSEA, with the assistance of the quality assurance specialist, will accomplish the following as necessary:

15.14.4.1. If first article testing will be done by the contractor and contract administration office support will be required, prepare and attach the Quality Assurance Letter of Instruction (QALI) or memorandum of agreement (MOA) to the TRP Section 3. Provide necessary information for specifying inspection and acceptance locations if inspection will be done at other than the manufacturer's plant (e.g., independent laboratory).

15.14.4.2. If the Government is responsible for inspection, determine if government facilities have the capacity and capability to do the testing. Include in Section 1 a note to schedule testing needs accordingly when the item is to be placed on contract with a first article source. Ensure the Government testing organization has the appropriate drawings and/or test plans for first article testing, and is aware of identified major/critical product characteristics. Drawings and test plans must be the same revision specified in the contract.

15.14.4.3. Obtain coordination on the testing requirements and the associated testing milestones from the Center maintenance organization or other government agency/laboratory who has testing responsibility.

15.14.4.4. Annotate on the AFMC Form 260 the necessary time for inspection report review or government inspection, and estimated costs for first article Government testing/inspection/evaluation (AFMC Form 260, block 9G). Estimated costs should include labor costs for government personnel to monitor and conduct tests (locally or at designated test facility), purchase of special tools or test equipment, transportation cost of first article to test site (excluding contractor expense), and any other applicable government costs. When contractor testing is specified, include the costs for Government evaluation of the contractor test reports.

**15.15. Initial Production Evaluation (IPE).** IPE policy and procedures are defined in AFMCR 74-4, *Acquisition Quality Assurance Program*, Chapter 4. IPEs are often better than First Article tests to ascertain the manufacturer's production line quality. Additionally, IPEs do not impact on the delivery schedule unless a problem is identified-unlike First Article tests, which always delay delivery whether there is a problem or not. For these reasons, IPEs are generally preferred to First Article tests unless there are specific indications otherwise. The cognizant quality assurance specialist requests an IPE per AFMCR 74-4



using the AFMC Form 807, *Recommended Quality Assurance Provisions and Special Inspection Requirements*, in the TRP Section 4 (Chapter 16).

## Chapter 16

### TECHNICAL REQUIREMENTS PACKAGE SECTION 4: QUALITY ASSURANCE PROVISIONS

**16.1. General.** Section 4 of the TRP must include all inspections (by reference, where appropriate) to be performed to ensure that the item to be offered conforms to the technical requirements in Sections 3 and 5 of the TRP. The Quality Assurance Specialist is responsible for the content of Section 4 for all buys. Engineers, engineering technicians, and equipment specialists will provide significant input to the QA specialist to assist in developing appropriate quality requirements. Normally, preparation of Section 4 follows preparation of Sections 3 and 5.

#### 16.2. Preparation Methods.

16.2.1. See para 13.2. QA specialists will use the AFMC Form 807, *Recommended Quality Assurance Provisions and Special Inspection Requirements* (Figure 16.1), to document an item's quality assurance requirements. The QA specialists will include additional documentation (Quality Assurance Letter of Instruction, Quality Assurance Provisions Document) in TRP Section 4 as necessary. TRP Section 4 must be reviewed and revalidated upon identification by any involved person of quality problems with the item. In cases requiring action on the current buy/contract, the revised information should be forwarded to contracting immediately for solicitation amendment or contract modification as appropriate.

16.2.2. When items are processed through the J023 system using "mechanized" processing, quality conformance inspection requirements are carried within the J023 data. The QA specialist must ensure that the J023 data reflects accurately the requirements in the TRP Section 4. The J023 system's Management Data Master File includes the Inspection and Acceptance (I&A) code and the Contract Quality Requirements (CQR) Code. These codes in combination will result in the J023 mechanized PR bearing clauses and requirements for certain quality provisions. If the fields are blank or contain illegal entries, the system will not accept the request for a "final" mechanized PR. As long as the fields are filled with legal entries, even if incorrect, the system will allow the PR to be processed mechanically. Therefore, it is incumbent upon the QAS to review the I&A/CQR following input to ensure accuracy. FAR Part 46 and AFMCR 74-4 provide guidance on the selection of appropriate contract quality requirements. If the quality provisions require update, the QA specialist inputs a change to J023.

**16.3. Section 4 Content.** TRP Section 4 contains the quality assurance requirements and special instructions to buyers/administrative contracting officers/quality assurance representatives. The quality requirements selected should be the minimum essential to ensure quality standards are met; consider factors such as cost of the various levels of QA tests and the risk of invoking a less extensive level.

#### 16.4. Section 4 Format.

16.4.1. The Quality Assurance Specialist and Equipment Specialist will complete the AFMC Form 807, according to AFMCR 74-4.

16.4.2. If applicable, the QAS will prepare QALI or QAPD per AFMCP 74-4, *Guide for Quality Assurance Managers*, and include them in sequence in Section 4.

Figure 16.1. AFMC Form 807, Contract Quality Requirements.

RECOMMENDED QUALITY ASSURANCE PROVISIONS AND SPECIAL INSPECTION REQUIREMENTS				1. PRIMER NUMBER	
				2. NATIONAL STOCK NUMBER	
3. POINT OF INSPECTION		4. POINT OF ACCEPTANCE		5. ITEM MANAGER PHONE	
SOURCE <input checked="" type="checkbox"/> DESTINATION <input checked="" type="checkbox"/>		SOURCE <input checked="" type="checkbox"/> DESTINATION <input checked="" type="checkbox"/>		6. EQUIPMENT SPECPHONE	
7. CRITERIA					
<input checked="" type="checkbox"/> COMMERCIAL <input checked="" type="checkbox"/> COMPLEX <input checked="" type="checkbox"/> CRITICAL <input checked="" type="checkbox"/> COMMON <input checked="" type="checkbox"/> MILFEDSPEC <input checked="" type="checkbox"/> NONCOMPLEX <input checked="" type="checkbox"/> NONCRITICAL <input checked="" type="checkbox"/> REGULAR					
8. CONTRACT QUALITY REQUIREMENTS/SPECIAL INSPECTION REQUIREMENTS					
<input checked="" type="checkbox"/> NACQAR 110 FAR 52.245-11 DDI FAR SUP 246.202.3 IS OMOI ANBI 9001 (or equivalent) <input checked="" type="checkbox"/> NACQAR 130 FAR 52.245-11 ANBI 9001 IS OMOI (or equivalent) <input checked="" type="checkbox"/> STANDARD INSPECTION FAR 52.245-2, -3, -4, -5, OR -6 AS APPLICABLE TO CONTRACT <input checked="" type="checkbox"/> 100% END ITEM INSPECTION SAFMS <input checked="" type="checkbox"/> MWDO (OR COM INSPECTION UNATTACHED LETTER DDI FAR SUP 246.130-10)					
<input checked="" type="checkbox"/> NACQAR 120 FAR 52.245-11 DDI FAR SUP 246.202.3 IS OMOI ANBI 9002 (or equivalent) <input checked="" type="checkbox"/> CERTIFICATE OF CONFORMANCE FAR 52.245-15 <input checked="" type="checkbox"/> CONTRACTOR RESPONSIBILITY FOR INSPECTION FAR 52.245-1 <input checked="" type="checkbox"/> FIRST ARTICLE (See AFMC 64-110 & AFMC Form 600) <input checked="" type="checkbox"/> OTHER (Block B)					
9. REMARKS					
NOTE: Quality policies as stated herein will not be binding without QRS condition. The QRS must be verified if awards decisions made to award sourcing/acquisition Method Code (AFMC 3, 4, or 5)					
10. QUALITY INSURANCE SURVEY		11. JCS CODES		12. NAME OF QRS REVIEWER	
<input checked="" type="checkbox"/> YES <input checked="" type="checkbox"/> NEWSOURCE <input checked="" type="checkbox"/> NO <input checked="" type="checkbox"/> PREVIOUS SOURCE <input checked="" type="checkbox"/> AFMC INVESTIGATION RECOMMENDED		A. I & A B. CLR		ORGANIZATION SYMBOL	
				PHONE	DATE

AFMC FORM 807, OCT 96 (EF-42) PerFORMPROQ

## Chapter 17

### TECHNICAL REQUIREMENTS PACKAGE SECTION 5: PRESERVATION, PACKAGING, AND MARKING

**17.1. General.** Section 5 of the TRP must include all preservation and packing requirements (per MIL-STD-2073) for the deliverable materiel. Inner/outer container marking (MIL-STD-129) determined by the packaging specialist and item markings (MIL-STD-130/MIL-STD-841)/shelf life markings are reflected in the Item Marking Code (see Chapter 6). Section 5 contains any additional marking instructions as necessary. The packaging specialist is responsible for the preservation and packing information and any supplemental container marking instructions in Section 5 of the TRP. The equipment specialist is responsible for any supplemental item marking information. Section 5 is not applicable when there is no physically deliverable product.

#### 17.2. Preparation Methods.

17.2.1. See para 13.2. Packaging specialists use AFMC Form 158, *Packaging Requirements*/AFMC Form 158a, *Packaging Requirements (Continuation)*, and applicable attachments (e.g., Special Packaging Instructions (SPI)) to document packaging requirements. When the item is to be placed on a PR through the J023 system, the item packaging requirement is carried within J023 data files. Based on the item use code entered by the IMS, J023 will print the appropriate packaging data. For these PRs, the TRP Section 5 need not contain the AFMC Form 158/158a unless the packaging specialist determines during coordination that the J023 data is incomplete/incorrect.

17.2.2. At the option of the ES and packaging specialist, the TRP Section 5 for an item may be prepared in advance and filed with the TRP. In such cases, the instructions must clearly define the conditions under which various packaging levels are to be applied. If this method is not elected, the TRP master file will not contain Section 5; it will be prepared and attached during PR coordination.

17.2.3. Packaging specialists and equipment specialists will prepare any necessary supplemental marking instructions on bond paper and include it within Section 5. Ensure that the instructions include the preparer's name, office symbol, telephone, and date prepared.

**17.3. Section 5 Content.** TRP Section 5 documents the specific requirements for materials and methods to be used by the contractor for preservation and packing when this information is not present/not correct on the PR.

17.3.1. Preservation is the application or use of protective measures, including appropriate cleaning, drying, preservatives, unit packs, wrapping, cushioning, blocking, bracing, intermediate containers, and identification marking up to but not including the exterior packs. The objective of preservation is to adequately prevent deterioration or misidentification of the items. The packaging specialist must consider the conditions the item is likely to encounter during shipment, storage, and issue and specify the lowest adequate preservation level.

17.3.2. Packing includes specification of the shipping container size and characteristics, the assembly of unit packs within, and any necessary blocking, bracing, and cushioning. The packaging specialist must specify the smallest and lightest shipping container which is adequate for the need; and, if a spe-

cialized container is needed, consider the possible use of specialized containers already in the DOD inventory.

17.3.3. Marking includes item identification (physical) marking, as well as marking for transportation and specialized markings required by various laws and standards. Normally, the requirements of MIL-STD-130 are sufficient for item identification marking. Section 5 may include additional requirements, identify options allowed by MIL-STD-130, or tailor the requirements down. Transportation and specialized markings are normally satisfied by the requirements of MIL-STD-129; Section 5 may also supplement or tailor these.

**17.4. Use of Commercial Packaging Standards.** In some cases, commercial packaging may be adequate for the needs of the Government for preservation and packing. When this is the case, the packaging specialist will specify commercial packaging.

**17.5. Section 5 Format.** The following paragraphs prescribe the general areas of preservation, packing, and marking requirements which must be addressed in Section 5 if not adequately defined on the PR. Use good judgment in laying out the requirements; the objective is clear communication with the buyer.

**17.6. Preservation Requirements.** Identify the preservation requirements. Cite applicable military, federal, or industry standards. Avoid use of ambiguous phrases such as "normal commercial practice", as they are virtually impossible to quality check and enforce. Add as much detail as is needed to ensure understanding of the requirement, but don't require more than is actually needed.

**17.7. Packing.** Identify the packing requirements using the guidelines in 17.6.

**17.8. Hazardous Materials Packing and Container Marking.**

17.8.1. When the deliverable item is hazardous per FED-STD-313, special packing container testing and certification is required per Title 49, Code of Federal Regulations. When the item is known to be hazardous at the time of PR initiation, the PR initiator will include a data line item to allow for Performance Oriented Packaging (POP) testing and certification. For newly procured items, the packaging specialist will submit the appropriate Data Item Description(s) to the Data Management Officer for inclusion in the DD Form 1423, *Contract Data Requirements List*. For known hazardous items already actively managed in the Air Force inventory, the packaging specialist will decide if POP testing is required and will annotate the AFMC Form 158 as applicable, driving inclusion of the appropriate contract clause(s). If an item is identified as hazardous during PR processing or solicitation and there is no POP testing identified on the PR/CDRL, the PR initiator will prepare a PR change or amendment.

17.8.2. Hazardous materials shipping container markings are covered in MIL-STD-129. Packaging specialists must ensure the packing and shipment markings are in compliance with applicable regulations. See paragraph 15.5.3 for additional information.

**17.9. Item Physical Marking Requirements.**

17.9.1. Most items fall under the requirements of MIL-STD-130. This standard provides general guidance, and contains special case requirements which may be called out as options (e.g., if the item is suitable for attachment of a metal identification plate, that may be specified). The Item Marking

Code on the PR (see para 6.2.7.2.1 and 6.3) specifies general compliance with MIL-STD-130. As necessary, specify in Section 5 of the TRP the various options which apply to this item. When the information to be marked will vary from one buy to the next (e.g., serial numbers), ensure that the supplementary information is current for each buy. Include a note in Section 1 regarding the need to determine that information and provide it with future PRs.

17.9.2. If the item is excluded from MIL-STD-130 by para 1.1 of MIL-STD-130, cite the applicable specification or standard identified with the exclusion in the supplementary information.

#### **17.10. Package and Shipping Container Marking.**

17.10.1. MIL-STD-129 provides comprehensive guidance on marking storage and shipping containers. General compliance with MIL-STD-129 is tasked by the IMC on the PR (see para 6.2.7.2.1 and 6.3). Use supplemental instructions in Section 5 of the TRP when necessary to clarify these requirements. Do not repeat requirements which are detailed in MIL-STD-129 unless past experience on this or similar items has shown that contractors may overlook the requirement. In these cases, include the instructions as "Pay special attention to..." statements.

17.10.2. Specifically identify the applicable MIL-STD-129 requirements which are in the standard as optional or "as required in the contract" provisions.

**17.11. Warranty Markings.** When Section 3 specifies a requirement for a warranty, the item itself, the storage container, and the shipping container must be marked accordingly. The equipment specialist and packaging specialist must specify the appropriate markings in their supplemental instructions.

17.11.1. Cite MIL-STD-130 for item markings, MIL-STD-129 for storage and shipping container markings, and FED-STD-595 for warranty markings.

17.11.2. Specify in detail what information will be on the warranty label.

17.11.3. Specify that the warranty label must be black letters on a yellow background (color 13655 per FED-STD-595).

17.11.4. Ensure that items are marked, when required, with serial number and CAGE to allow warranty trackability and include a note to the buyer in Section 1 calling attention to the need for serial number assignment.

**17.12. Shelf Life Markings.** When the item's Shelf Life Code is other than 0 (zero), the IMC on the PR (IMC code "3" or "4") specifically references the shelf life marking requirements in MIL-STD-129. As necessary, the equipment specialist will cite other standards and specifications such as MIL-STD-1523 in the supplemental instructions. The equipment specialist must specify the Shelf Life Code and Storage Retesting Cycle to be included in the markings, and specify the percentage of total shelf life remaining upon acceptance by the Government (90%, or other figure as appropriate). Include a note to the buyer in Section 1 of the TRP calling attention to this requirement.

## Chapter 18

### OTHER TECHNICAL ATTACHMENTS TO THE PR

**18.1. General.** Unlike the TRP, which by design is a relatively stable document, other PR technical attachments are highly variable depending on the circumstances of each buy. Contract data requirements must be tailored for each buy to ensure that only needed data is acquired. Potentially applicable GFP is listed in the TRP Section 1, but the screening and identification for each proposed contract must occur individually. This chapter prescribes policy and procedures for these activities.

**18.2. Contract Data Requirements.** When buying spares and equipment, it is often advantageous (and sometimes necessary) to at the same time buy related data. Data can consist of any form of recorded information. The most common types of data found on spare parts and hardware PRs are engineering data (often called "drawings" or reprourement data), technical orders for maintenance and/or repair, and test reports (such as called out by First Article requirements or Quality Assurance clauses). For convenience, the Acquisition Management Systems and Data Requirements List (AMSDL), DOD 5010.12-M, lists all approved Data Item Descriptions (DIDs). DIDs are prepared per DOD-STD-963. DIDs provide preparation instructions defining the required format and content of contract data deliverables. For technical orders and manuals, Technical Manual Contract Requirements (TMCRs) define the required format and content per TM-86-01. PR initiators and technical specialists alike must remember that while PR/contract taskings may generate data (test reports, T.O.s, etc.), only the data listed on the DD Form 1423 will be delivered. To ensure such data will be obtained correctly, the data requirer must consult with the data management officer (DMO), who has the overall responsibility for all data and CDRL requirements. Every CDRL item must cite a data acquisition document (DID or TMCR). Standard DIDs must be used if available and appropriate. DOD 5000.2-I/AF Sup 1 has provisions for one-time DIDs if a standard DID cannot be applied.

**18.3. Building the Contract Data Requirements List.** Upon receiving initial notice that a PR will be required (e.g., upon receiving a data level notice), the PR initiator will determine if a data call is warranted. This may be determined by consulting with the DMO, the ES and other technical specialists. If a data call is appropriate, the DMO will trigger a data call per the instructions in DOD 5000.2-I/AF Sup 1 and local procedures.

18.3.1. For Urgent and Emergency PRs which need a Data Call, all data call actions must be expedited. The PR initiator may choose to process the Emergency/ Urgent PR through to the buyer and follow later with a data line item PR amendment.

18.3.2. In reviewing the data requirements for an upcoming buy, evaluators must consider whether the data in their area is currently available or on order. While test reports may be needed on every buy, other data (i.e., purchase of engineering drawings) may be needed only one time. Only the OPR for a given type of data may submit requirements for its purchase (e.g., only the Engineering Data Management Officer may submit requirements for the purchase of engineering data (drawings)). Careful consideration must also be given to making sure that currently held data will apply to the item or service to be bought. For example, in a competitive environment items may be acquired which satisfy all form, fit and function criteria but which do not conform to existing technical manuals.

18.3.3. Tailoring of DIDs to eliminate unneeded sections of reports and so on is required.



#### 18.4. Government-Furnished Property (GFP) Definitions.

18.4.1. FAR Part 45 provides guidance on providing Government property to contractors. It defines the terms as follows:

18.4.1.1. "Government-furnished property" (GFP) is defined as "property in the possession of, or directly acquired by, the Government and subsequently made available to the contractor" (FAR 45.101(a)).

18.4.1.2. "Property" in this context includes facilities, material (GFM), special tooling (ST), special test equipment (STE), and agency-peculiar property (FAR 45.101(a)).

18.4.1.3. "Facilities" includes plant equipment (personal property of a capital nature for use in manufacturing supplies, performing services, or for any administrative or general plant purpose-but excluding special tooling and special test equipment) and real property (land, land rights, ground improvements, utility distribution systems, buildings, and other structures) (FAR 45.301, 45.101(a)).

18.4.1.4. "Material" means property that may be incorporated into or attached to a deliverable end item, or that may be consumed or expended in performing a contract. It includes assemblies, components, parts, raw and processed materials, and small tools and supplies that may be consumed in normal use while performing a contract (FAR 45.301(a)).

18.4.1.5. "Special tooling" means specialized jigs, dies, fixtures, molds, taps, gauges, and other such equipment (and components thereof) which are generally suitable for production of only certain items or performance of certain services (FAR 45.101(a)).

18.4.1.6. "Special test equipment" means either single or multipurpose integrated test units used to accomplish special purpose testing in performing a contract. This may include general purpose items or components that are interconnected and interdependent so as to become a new functional entity for special testing purposes (FAR 45.101(a)).

18.4.1.7. "Agency-peculiar property" means military property, including end items, peculiar components of weapon systems, and associated support equipment not readily available in the commercial marketplace (FAR 45.301; DFARS 245.301). In AFMC, this category of GFP is commonly referred to as "Government Loaned Property", or GLP. Items with ERRC "S", "U", and occasionally "T" may fall into this category of GFP.

18.4.2. "Government Furnished Equipment" (GFE) is defined in AFMCR 800-31, *Government-Furnished Equipment/Contractor-Furnished Equipment (GFE/ CFE) Selection Process, GFE Acquisition and GFE Management*. See that regulation for policy and procedures.

#### 18.5. Policy for Providing GFP to Contractors.

18.5.1. Facilities: See FAR 45.302-1 for policy on providing Government Facilities for contractor use.

18.5.2. Material: FAR 45.303-1 states that while contractors are ordinarily required to furnish all material for performance of the contract, the contracting agency should provide GFM when necessary to achieve significant economy, standardization, or expedited production; or when it is otherwise in the Government's interest.

18.5.3. Special Tooling (ST): FAR 45.306-1 states that the Government shall offer existing ST to prospective contractors if it will not disrupt other work of equal or higher priority; if it is otherwise in the Government's interests; and if it will be available during the time needed.

18.5.4. Special Test Equipment (STE): FAR 45.307-1 states that the Government shall offer existing STE to prospective contractors if it will not disrupt other work of equal or higher priority; if it is otherwise in the Government's interests; and if it will be available during the time needed.

18.5.5. Agency Peculiar Property/GLP: FAR 45.310 states that agency-peculiar property may be furnished to contractors for use as a standard or model for testing the contractor's end item or to establish equipment compatibility.

**18.6. GFP for Item Buy PRs.** Application of GFP to a particular item buy contract is a three-step process. While the various categories of GFP share the basic process, the details differ and are discussed separately below.

**18.7. GFM Screening/Application to Item Buys.**

18.7.1. First, the responsible technical specialist(s) must identify if there is a potential (or requirement) for use of GFM in the production of the item. This is based on the identification of stocklisted items within the end item. Where possible, the applicability screening should occur in advance of the actual need (for example, during development of the TRP). End item IMSs may use the AFMC Form 39, *GFM Applicability and Availability Assessment*, (Figure 18.1) to request this screening for items which are known or suspected to contain stocklisted components. The PR initiator (for item buys, the end item IMS) completes blocks 1-4, and forwards the form to the responsible ES. The ES completes block 5, checking "GFM". In block 5, the ES identifies the component IMS (CIMS), the CIMS Manager Designator Code (CIMS MDC), the component NSN and noun, the component quantity per application, and the component Expendability, Repairability, and Recoverability Code (ERRC). The AFMC Form 39 is then attached to the TRP Section 1 and the TRP Cover Sheet (AFMC Form 24) annotated. If the ES determines that the item contains no stocklisted components, the AFMC Form 24 may be so annotated and the AFMC Form 39 discarded. Otherwise, the AFMC Form 39 is filed with TRP Section 1.

18.7.2. Upon receiving a buy notice, the end item IMS will obtain a copy of the AFMC Form 39 from the TRP Section 1, complete block 7, annotate the quantity required column in block 6, and process the Form 39 as follows:

18.7.2.1. The end item IMS will forward the Form 39 to the MUCO GFM Program Manager. The GFM Program Manager will coordinate with the involved component IMSs to determine which assets are in long supply or excess position, and will requisition the appropriate quantities from the IM account to the MUCO account. MUCO will then annotate block 6 on the AFMC Form 39 to indicate which GFM is available and the available (frozen) quantity and condition.

18.7.2.2. The solicitation/contract must include clear instructions to the contractor on how to requisition the GFM. These instructions may be in the form of a standard "letter of instruction" tailored as necessary with specific requisition data elements and attached to the solicitation; or as a formal solicitation/contract provision. Certain information (as a specific example, the contractor's Stock Record Account Number (SRAN) (MILSTRIP columns 30-35), the signal code (MILSTRIP column 51), the fund code (MILSTRIP column 52-53), and the distribution code (MIL-

STRIP columns 54-56) to be used by the contractor) must be provided by the IMS as remarks in block 8 of the AFMC Form 39. The instructions must provide explicit step-by-step procedures such that a first-time contractor can successfully submit a requisition. Local policy will define responsibilities and procedures for providing these instructions.

18.7.2.3. The AFMC Form 39 should also indicate if use of the GFM is "required". Normally, the Government will not require a contractor to use GFM unless compelling cost or technical considerations exist. Such conditions may exist when the GFM items are in long supply when the end item is being purchased.

18.7.2.4. The end item IMS attaches the completed AFMC Form 39 to the PR package prior to its submission to PR/MIPR Control.

18.7.3. The buyer presents the "available" GFM list to prospective offerors during the solicitation process. Prior to award, the buyer negotiates the apparent successful offeror's actual needs for the GFM, and deletes GFM which the offeror declines. The buyer will notify MUCO GFM program manager so that deleted GFM may be returned to the IMS account from the MUCO account.

**Figure 18.1. AFMC Form 39, GFM Applicability and Availability Assessment.**

[illegible]

**18.8. Government-Loaned Property (GLP) Procedures.** The potential need for GLP in support of an item buy should be identified during the technical screening and development of the TRP. GLP involvement may consist of the loan of a sample item to a new source to aid in understanding the desired product; loan of a part such as an airframe component when the desired product must match the actual item rather than the specifications (some components tend to deform with age, and a new item made to specs will not fit); and loan of a higher assembly or related parts to ensure compatibility or to assist in conformance inspections. Other cases may exist where it is in the Government's interests to loan items to contractors for both item- and non-item buys. Whenever GLP is possible, the PR initiator must establish close coordination with the loan item IMSs and the loan control officer (LCO).

18.8.1. When loan of Government property is contemplated, the PR initiator and technical specialist recommending the loan will initiate an AFMC Form 39, (Figure 18.1). The end item IMS will forward the Form 39 to the MUCO Loan Control Officer (LCO). The LCO will coordinate with the involved component IMSs to determine which assets are available for loan. The component IMSs will reserve the items by assigning purpose code "K" to the applicable balance. The LCO will then annotate block 6 on the AFMC Form 39 to indicate which items are available and the available (frozen) quantity and condition. The LCO will establish control records for the proposed loan in accordance with AFMCR 800-31.

18.8.2. The PR initiator/technical specialist recommending the loan will prepare an Appendix B to include clear instructions to the contractor on how to request the loan item. The Appendix B shall also include instructions for maintenance and control, property reporting, and return of loan/sample parts. The buyer will process the Appendix B as a formal solicitation/contract provision. Note that the instructions must provide explicit step-by-step procedures such that a first-time contractor can successfully submit a request.

18.8.3. The buyer presents the available loan item list as part of the solicitation, and negotiates the actual contractor needs which are placed on the contract. The buyer then informs the LCO of the actual contractual obligations for loan assets, and the LCO releases unneeded assets back to the component IMSs.

18.8.4. Contractor requisitions, loan reconciliation, and transshipment/follow-on loans are processed according to AFMCR 800-31, attachment 10.

**18.9. Certified Sample Parts and Other Special Loans.** Certified sample parts may be required for certain items as identified during the technical screening (Chapter 12). IMSs may use the AFMC Form 39 to provide availability data, requisitioning instructions, shipment/return/marketing instructions, and to obtain LCO coordination. The LCO will establish control records as for other loaned items to ensure asset visibility. The AFMC Form 39 may also be used to facilitate control of loans under the Spare Parts Purchase and Borrow Program (AFM 67-1, Vol I, Part One, Chapter 10, Section N) and the Repair Qualification Program.

**18.10. ST/STE Procedures.** The need for ST/STE and whether or not the Government owns that ST/STE should be identified during the item's technical screening or preparation of the Statement of Work/Maintenance Work Specification. When so identified, the technical specialist will prepare a list of the mandatory (required) and/or optional (contractor's choice to use or not) ST/STE and attach it to the TRP/SOW/MWS as applicable. Prior to PR initiation, the PR initiator will determine the actual availability and location of the ST/STE by interrogating the D200J ST/STE System, and will print the applicable screens.

The PR initiator will attach the screen prints to the PR package and coordinate the package with the MUCO ST/STE monitor. The MUCO ST/STE monitor will reserve the available ST/STE and provide additional instructions for buyer/contractor processing; or will delete non-available ST/STE from the list. MUCO then returns the package to the initiator. If "required" ST/STE is not available, the PR initiator must determine an alternative course of action.

**18.11. GFM for Repair and Other Services PRs.** Complete instructions for preparation and processing of the PR Appendix B for DMIF-funded depot-level contract maintenance programs are in AFMCR 66-8, *Contract Maintenance Programs*. All DMIF funded PRs authorizing GFM, including Contractor Acquired Property (CAP), must be supported by an Appendix B. All non-DMIF funded PRs authorizing GFM, including Contractor Acquired Property (CAP), must be supported by an Appendix H. These procedures apply as well to non-DMIF services PRs. The general concepts of paragraph 18.7 apply to these efforts. In particular, for repetitive repair and services the potential GFP list should be developed initially and then maintained for future use, while the available GFP list cannot be developed until the actual PR is being prepared. If appropriate, the AFMC Form 39 may be used for the assessment phase of the Appendix B and Appendix H process.

**PART 4****REQUIREMENT AND TECHNICAL DATA FOR REPAIR AND OTHER SERVICES BUYS****Chapter 19****PREPARING REPAIR AND OTHER SERVICES PRS****19.1. General.**

19.1.1. Part Four prescribes the policy and procedures for documenting requirement and technical information for repair and other services PRs. With these PRs, we are buying performance of a work effort; the deliverable is the product of that effort. It may be a repaired item, a completed task, a technical report, or other such "product". We accept or reject the "product" based on whether or not the contractor accomplished the work effort as tasked in the contract. The technical details of the tasking are spelled out in the Statement of Work (SOW) or Maintenance Work Specification (MWS). In contrast, for item buys the bottom-line requirement is always that the contractor will produce and deliver a physical item, and we accept or reject based on whether or not the item conforms to the specification. The technical details upon which conformance is judged are spelled out in the TRP, described in Part Three.

19.1.2. Policy for contract maintenance paid for by the Depot Maintenance Industrial Fund (DMIF) is covered in AFMCR 66-8. Policy for preparation of Maintenance Work Specifications is covered in AFMCR 65-22, *Depot Maintenance Work Specifications*. Policy for Contractor Field Team (CFT) requirements is covered in AFMCR 66-33, *Contractor Field Teams (CFT) Program*. Policy for Contractor Logistics Support (CLS) and Interim Contractor Support (ICS) requirements is in DODI 5000-2/AFSUP1, *Defense Acquisition Management Policies and Procedures*.

**19.2. Process Overview.** In the following discussion, the PR initiator is the individual who is responsible for identifying the need to buy a service. Generally, for repairs this will be the Production Management Specialist.

19.2.1. The requirements determination process may identify a need for a service which may be satisfied by commercial contractors. Upon confirming that the requirement will be acquired from a commercial source or by public/private competition, the PR initiator will assemble a PR package. The PR initiator will document the requirement information on the AFMC Form 36, *Purchase Request*, as described below, and task the engineering/technical support activity to develop the SOW/MWS as described in Chapter 20.

19.2.2. The PR package is then processed through locally-determined review processes (e.g., Contract Maintenance Review Board), and passed to PR/MIPR Control. After formal coordination and official funds certification, the PR package is passed to the contracting function.

19.2.3. Part Four expands and clarifies the guidance in Parts One, Two, and Three to provide specific guidance for repair and other services PRs. The basic PR process and concepts are the same for all; only the information requirements differ.

**19.3. Multiple Year Contracting (MYC).** MYC policy for item buys is detailed in para 7.9 through 7.11. Many of the benefits of MYC discussed there also pertain to repair and services buys; for some modification buys, MYC (in the form of contract options) is the only feasible means to execute the program. Most item repair contracts are requirements-type contracts, to allow repair as needed rather than on a fixed schedule. The PR initiator will examine the requirement and determine if it is suitable for an indefinite delivery (requirements) contract, and/or if options should be established.

**19.4. Preparation of the Purchase Request.** The PR initiator enters these data elements in blocks 1-7 of the AFMC Form 36.

19.4.1. Procuring Activity (Block 1). Enter the Purchasing Office Identifier.

19.4.2. Type PR (Block 2). Enter the Type of PR or MIPR Code.

19.4.3. Priority (Block 3). Enter the PR or MIPR Priority Code. This is the highest of the individual line item priorities (see para 8.3).

19.4.4. Date Prepared (Block 4). Enter the PR or MIPR Date.

19.4.5. PR Number (Block 5). Enter the PR or MIPR Number. See para 6.2.5. Use the fiscal year of PR initiation as the FY in the PR number.

19.4.6. Amendment Number (Block 6). Enter the PR or MIPR Amendment Number. If this is the original (basic) PR, enter "00". If this is an amendment, enter "01" for the first amendment, "02" for the second, etc.

19.4.7. Codes (Block 7). Enter certain mandatory and optional codes which apply to this PR. The following codes are AFMC standard definitions which will be assigned and used at all ALCs. ALCs may also define, assign, and use local codes as needed. To enter a code in block 7, enter the code acronym (e.g., "DMD:") followed by the appropriate data.

19.4.7.1. Division Manager Designator (DMD).

19.4.7.2. Type Requirement Code (Type Rqmt).

19.4.7.3. Materiel Management Aggregation Code (MMAC).

19.4.7.4. Product Directorate Code (PDC).

**19.5. PR Line Item Data.** See para 7.2 for details on PR line item structure. The PR initiator will use Block 8 to provide descriptive information for each repair or service to be contracted. Although Block 8 is subdivided into columns A through G, additional data may be required which does not fall into one of the column headings. Block 8 may contain multiple line items and/or sub-line items. Place additional data which applies only to a specific line or sub-line item immediately following that item. Place additional data which applies to more than one item immediately following the last item and preface it with a note indicating to which items it applies.

19.5.1. Purpose Statement: Enter Remarks Text across the top of block 8 to briefly describe the purpose of this PR.

19.5.2. Column A: Item Number. Enter the PR or MIPR Line Item Number. If this is a subline item, enter the parent line item number followed by the PR or MIPR Subline Item Number.



19.5.3. Column B: Description. The description provides the buyer a concise summary of the service to be acquired. The buyer uses this information to prepare the synopsis, evaluate the offers, and so on. The description will contain the following elements as applicable.

19.5.3.1. For services, repairs, and associated data, enter the Special Stock Class Assignment (pseudo) code when requesting IQ or requirements type contracts; or for non-stocklisted line items.

19.5.3.1.1. For non-repair services, enter remarks to identify what will be bought (e.g., "Engineering/ Technical Services"), with the applicable program identification (e.g., mod number and/or PMD number) and complete but concise references as needed to the PR attachments. Include brief details with respect to location and scope of effort, cost range and limitations, estimated starting and completion dates, and any significant evaluation factors.

19.5.3.1.2. For stocklisted item repair, enter additional line items listing each involved NSN, and provide the Part Number, Nomenclature, Acquisition Cost, Card Code, Type Line Item, and Short Funds Cite. When requesting a requirements contract, enter the best estimated quantity (BEQ) for the item; when requesting an IQ contract, provide the incremental quantities.

19.5.3.2. Use additional remarks to indicate the next higher assembly, end item, project, program, etc. for which the item or service will be used. For item modification PRs (TCTOs, ECPs, retrofits, etc.), include all project identification information needed to process the PR or which must be included on the contract or delivery documents.

19.5.3.3. Enter the J041 system's Card Code (CC) which pertains to this line item.

19.5.3.4. Enter the PR or MIPR Type Line Item Code (TLI).

19.5.3.5. Enter the Fund Code.

19.5.3.6. Indicate the "short line" accounting classification, which consists of the one-digit Program Year; the Budget Program Activity Code (BPAC); and the Materiel Program Code (MPC). Note that the BPAC and MPC in the short line may differ from the BPAC and MPC in the long line accounting classification in Block 13. This is due to the differing needs of the J041 system, which accepts the short line, and the H103 system, which accepts the long line. Internal programming reconciles the differences during comparative processing. The division, directorate, or center funds monitor will provide assistance as needed.

19.5.4. Column C: AMC/AMSC. Leave blank.

19.5.5. Column D: Quantity. Enter the PR or MIPR Line Item Quantity. Indicate only the actual delivery requirement for this line item. Indicate additional quantities such as options separately.

19.5.6. Column E: Unit. Enter the Unit of Issue Code.

19.5.7. Column F: Estimated Unit Price. Enter the Unit Price.

19.5.8. Column G: Estimated Total Price. Enter the PR/MIPR Line Item Total Price.

**19.6. Total Cost (Block 9).** Enter the PR/MIPR Total Cost, the sum of all line item totals in block 8, column G.

**19.7. Defining the Delivery Schedule.** The PR initiator completes blocks 10 and 11 of the AFMC Form 36 to show the requested delivery schedule and destinations. Continue on a plain bond paper continuation sheet if necessary, with appropriate reference across the bottom of blocks 10 and 11.

19.7.1. Block 10, Column A: Item Number. Enter the appropriate line item/subline item number from block 8, column A.

19.7.2. Block 10, Column B: Required/Desired. ALCs will leave this field blank.

19.7.3. Block 10, Column C: Delivery Schedule. Enter the delivery schedule using one of these structures:

19.7.3.1. Repair: Enter the delivery schedule as a number of days after receipt of (ARO) the item or system. Don't include conditional statements relating to availability of GFP. For new start efforts, include if appropriate a preproduction setup and "learning curve" startup period with a lower production rate. Avoid sharp peaks and valleys in the schedule unless there is a compelling mission requirement.

19.7.3.2. Other service-type requirements: Enter the PR or MIPR Begin Period of Performance Date and the PR or MIPR End Period of Performance Date.

19.7.3.3. Technical Reports and other data required in support of repair, overhaul, and other services-type contracts may have either a specified calendar delivery date or a relative date (e.g., 60 days after completion of study).

19.7.4. Block 11, Column A(1): Ship To. Enter the DOD Activity Address Code (DODAAC) which is to receive the shipment indicated in Block 10, columns A-C. In all cases where it is economically justified, specify shipment to using activities rather than storage depots (see para 8.6). If shipping instructions cannot be provided, either enter "TBD" (to be determined) or provide the depot storage account information with the "ASI" remark (see (19.7.5.) below). Entering "TBD" imposes the assured added workload of processing Initial Shipping Instructions (Chapter 22) prior to delivery. Entering the depot storage account may or may not require Amended Shipping Instructions (Chapter 22).

19.7.4.1. For shipments to DOD activities to fill requisitions, enter the "ship to" from positions 30-35 (when the Signal Code is A, B, C, or D) or positions 45-50 (when the Signal Code is J, K, L, or M) of the MILSTRIP requisition.

19.7.4.2. For shipments to FMS customers, the "ship to" is the supplementary address from the MILSTRIP requisition. For Grant Aid shipments, the "ship to" is the Grant Aid Record Control Number and Geopolitical Code. Transportation specialists will extract key information from these codes during the coordination cycle (para 21.4.7) to build the actual ship-to address for the final PR package.

19.7.4.3. For storage shipments, enter the DODAAC of the storage location/account.

19.7.4.4. For special use shipments (War Reserve Materiel, special projects, First Article Test items, etc.), enter the DODAAC of the responsible activity.

19.7.4.5. In every case where Amended Shipping Instructions (ASI) may be needed because the shipping destination may change, enter remarks indicating "ASI possible."

19.7.5. Block 11, Column A(2): Mark For. Enter the Mark For as follows.

19.7.5.1. For shipments to DOD activities to fill requisitions, leave this field blank.

19.7.5.2. For shipments to FMS customers, the "mark for" is the two position Country and Activity Code, hyphen, "D," hyphen, case code. For Grant Aid shipments, the "mark for" is the MILSTRIP requisition supplementary address. Transportation specialists will extract key information from these codes during the coordination cycle (para 21.4.7) to build the actual mark-for address for the final PR package.

19.7.5.3. For storage shipments, enter the locally-designated account designator (e.g., ACCT09).

19.7.5.4. For special use shipments, enter the locally-designated account designator. Each center must establish these accounts as needed to prevent mixing of assets authorized and funded for different purposes.

19.7.6. Block 11, Column B: MILSTRIP Data. For direct shipments to DOD and FMS customers for requisitions, enter the MILSTRIP Requisition Number and MILSTRIP Priority Designator.

**19.8. Defense Priorities and Allocations System.** Some repair and services requirements may be "rated orders" as defined by the Defense Priorities and Allocations System (DPAS). See para 8.7 for details.

**19.9. Remarks.** The initiator will use Remarks Text in block 12 as required below or as needed to amplify/clarify the requirement data for the buyer.

19.9.1. List approved sources. Approved sources in this sense are the prime contractor and any other contractors who have previously and satisfactorily performed this work for the Government or the prime contractor.

19.9.2. State the buy authority (e.g., for repair: FYxx Contract Maintenance Program).

19.9.3. For advance PRs, enter the statement shown in para 3.7.1.

19.9.4. If the service is for Foreign Military Sales support, enter the case number.

19.9.5. Specify any desired options, including details on the period of performance, quantities, estimated cost, funding, and so on as applicable.

**19.10. Funding.** The initiator will fill in the complete "long line" accounting classification in block 13. Use the reverse side of the AFMC Form 36 as needed for continuation. Consult the division/directorate funds monitor or local financial management organization for assistance in identifying the correct funds cite.

19.10.1. Item number (column A): Enter the line or subline item from block 8, column A.

19.10.2. Accounting classification (columns B(1)-B(9)): Enter all nine elements of the Standard Air Force Accounting Classification (SAFAC). These may be obtained from the authorized documents/program management directives.

**19.11. Approvals.** The initiator will sign and legibly print, type, or stamp his or her name, office symbol, and telephone extension in block 14A. Additional signatures in the same format will be added in blocks 14B through 14F as required by local coordination/approval policy.

## Chapter 20

### TECHNICAL DATA FOR REPAIR AND OTHER SERVICES PRS

**20.1. General.** While technical data for item buy PRs (i.e., for buying spare parts) is defined in the Technical Requirements Package, the technical data for the various types of services must be defined in a Statement of Work (SOW) or Maintenance Work Specification (MWS). The TRP, SOW and MWS are very similar in structure and content, but also have differences. The fundamental difference stems from what it is we are buying. With a hardware PR and TRP, we are buying a physically deliverable item which must conform to physical specifications on form, fit, and function. As long as the acceptance criteria are met, we do not get involved in how the contractor produces the item (although certain quality assurance provisions invoke tasks for in-process activity). On the other hand, with an engineering services PR and SOW, we are buying performance of a work effort which will result in getting a needed activity done. Work effort cannot be described with a form, fit, and function specification. It must be defined in the SOW. Finally, with a depot-level repair PR and MWS, we are buying performance of a repair service to be performed in accordance with highly defined specifications and procedures.

**20.2. Hybrid PRs.** It is possible to encounter requirements which involve more than one type of requirement listed above. The PR must include the applicable document(s) for the technical requirements of the line items.

**20.3. Applicability and Preparation of Maintenance Work Specifications.** PR initiators will use an MWS to document the technical requirements for contract (and organic) repair efforts which are funded under the Depot Maintenance Industrial Fund (DMIF). Detailed instructions for the preparation of the MWS and its attachments are in AFMCR 65-22.

**20.4. Applicability and Preparation of Statements of Work.** PR initiators will use a SOW to document the technical requirements for non-DMIF efforts such as engineering studies and other miscellaneous services acquired through central procurement. Detailed instructions for preparation of the SOW and its attachments are in the following paragraphs.

#### **20.5. General Instructions for SOWs.**

20.5.1. The Engineering Reliability Branch, or the Engineering Function or Product Team with primary responsibility for the effort required prepares the SOW.

20.5.2. The SOW is the document by which nonspecification requirements are established and defined. It establishes tasks and identifies the work effort to be performed by the contractor, which are the minimal needs to meet the program requirements.

20.5.3. In the preparation of the SOW or the Technical Requirements Document (TRD), if used, the initiator must identify specific and definitive tasks. This will allow optimum evaluation and proposal preparation by private industry and will reduce evaluation time by the Air Force.

20.5.4. The SOW becomes the standard by which the contractor's effectiveness is measured. When questions arise concerning the scope of work to be performed by the contractor, the SOW is the source authority.

20.5.5. The preparer will make sure that the SOW specifies and defines what is required, and that any specification on how it should be accomplished is in fact warranted. References to other documents must not impose unnecessary requirements. Effective dates of referenced documents must be included.

20.5.6. Write the SOW in ordinary language, holding the use of technical language to a minimum. Write so anyone not familiar with the requirement will fully understand the scope, purpose, and required action. Avoid words that allow more than one interpretation or where compliance or non-compliance can be based on opinion or personal preference. Use "shall" whenever a provision is mandatory instead of "will". Do not use "should" or "may" in establishing tasks and requirements. "Will" may be used to express a declaration of purpose or where simple future intent is meant.

20.5.7. When a requirement is levied against the contractor in "days", state either calendar or work days (for example, "Testing shall be completed within 30 calendar days after production").

20.5.8. There must be a direct correlation between the SOW tasks and the data requirements. Use the SOW to task effort (design development, analysis, test, and so forth) which may generate data; however, never use the SOW to provide instructions for preparation or delivery of data (use the CDRL for that purpose).

20.5.9. Each task that generates data will identify the data requirement by contract data requirements list (CDRL) sequence number or data item description (DID) number. CDRLs will not task work effort. A CDRL, DID, and SOW location cross reference may be part of Section 2, Subsection 2.2 (reference documents) in the format shown in Figure 20.1. This expedites proposal preparation by potential contractors and AF evaluation.

20.5.10. When buying Technical Order data, use TM-86-01 "Technical Manual Contract Requirements Document" to identify the requirement. TM-86-01 becomes an attachment to the SOW. Early coordination with the supporting Technical Order Branch is essential to make sure all data requirements are identified.

20.5.11. The SOW will not contain quantities, delivery schedules, milestones, or flow charts. Quantities and delivery schedules will be included in the purchase request (PR). Other documents associated with the SOW will be made attachments to the SOW.

20.5.12. Make sure that all quality requirements are coordinated with and approved by the cognizant quality assurance specialist.

20.5.13. If more than one person prepares the SOW, the initiator of the requirement will review the final product to make sure that there are no redundant or conflicting requirements.

20.5.14. If a previous SOW is used for a new or follow-on effort, the SOW will be thoroughly reviewed, edited, updated, and tailored to the current requirement.

20.5.15. When specifying tolerances, be sure they are exact. If variations are allowed, indicate plus or minus and upper or lower values in the appropriate areas in Section 3 of the SOW or in the technical requirements document (TRD) if the TRD is required or appropriate for the effort.

20.5.16. The SOW must be a clear, concise, and complete statement of all necessary functional elements and tasking requirements. All tasks should be definitive enough to protect the government's interests but flexible enough to capitalize on a contractor's creativity and experience. The SOW should

also provide relevant background information and explanations to help in understanding the purpose and constraints of the contractual effort.

**Figure 20.1. Sample CDRL, DID, and SOW Cross-Reference.**

CDRL SEQUENCE NUMBER	DID NUMBER	SOW PARAGRAPH
1001	DI-A-6102A/T Support Equipment Plan	3.13.3
2001	DI-A-3007/T Program Schedule, Master Program Planning	3.16.2.1.1.
3001	DI-MGMT-8004T Management Plan, Technical Data	3.16.2.3.6
4001	DI-L-7017A Logistics Support Analysis (LSA Plan)	3.16.3.3.2

20.5.17. On more complex programs, such as Contractor Logistics Support (CLS), more than one SOW may be used, if necessary, where different types of major efforts are required in a given program.

## **20.6. Preparation Procedures.**

20.6.1. The format detailed below will be used for all SOWs to provide accuracy in preparation of SOW documents, and to provide standardization which will improve the contractor's ability to determine what is required and provide it.

20.6.2. Use the format in Figure 20.2 for preparation of the basic SOW cover page, contents, sections, and subsections, with brief explanation by section and subsection. For revisions to the basic cover page and content, use the format in Figure 20.3. See Figure 20.4 for CLS programs. Definition of terms and acronyms is optional but is recommended on more complex and lengthy SOWs.

20.6.3. Assign a SOW identification file number and enter at the bottom left corner of the cover page and all subsequent pages. The file numbers will be constructed as follows: Air Logistics Center (ALC), weapon system, calendar year, and four Arabic numbers. For example: OO/F-16/87/1234. (File number shall be on all attachments.)

**NOTE:** Use the same block of Arabic numbers as assigned for related Maintenance Work Specifications. The cognizant Production Management function will provide the numbers for the product directorate when tied to hardware items. Other preparers may develop their own block of numbers.

20.6.4. Review and consider all of the functional and task elements listed in Figure 20.5 to determine the necessary tasks that should be included in the effort. Select only those elements that are absolutely necessary to meet the requirements. Do not overstate or overspecify the requirement; however, make sure that all requirements identified in Program Management Directives or other program directives and documents are covered in the SOW, where appropriate.

20.6.5. Use the pre-SOW and post-SOW checklists (Figure 20.6) and the pre-CDRL and post-CDRL checklists (Figure 20.7) to make sure that all appropriate elements and data considerations have been addressed.

20.6.6. Do not use open-ended phrases such as "but not limited to", "as a minimum", "as required", or "as necessary". Choose verbs that identify work effort and task performance. Figure 20.8 provides a list of verbs (work words) and their implications. It shows how a poor word choice can lead to misinterpretation.

20.6.7. The optimum SOW does not:

20.6.7.1. Order, describe, or discuss data (DD Form 1423).

20.6.7.2. Use data words or identify the delivered data to describe the work tasks to be accomplished.

20.6.7.3. Contain specification data describing exactly how the effort must be accomplished.

20.6.7.4. Specify design control parameters or performance of end items or hardware, except for advance development, when required.

20.6.7.5. Specify technical proposal criteria or evaluation factors.

20.6.7.6. Establish delivery schedules.

20.6.7.7. Invoke entire military standards (MIL-STDS) or military specifications (MIL-Specs) unless all facets of the documents are required to meet minimal needs.

20.6.7.8. Direct its contents to one particular contractor.

20.6.7.9. Cite Federal Acquisition Regulation (FAR) clauses.

20.6.7.10. Over-specify the requirement.

20.6.8. The optimum SOW will:

20.6.8.1. Specifically define appropriate parts of MIL-STDS or MIL-Specs to be invoked to meet minimal needs.

20.6.8.2. Clearly define all non-specifications, nonpersonal requirements, and task efforts.

20.6.8.3. Describe exactly what the requirement or the product is and how it must perform.

CONTRACT NO: \_\_\_\_\_ DATE : \_\_\_\_\_

STATEMENT OF WORK (SOW)

FOR

TYPE OF WORK OR EFFORT: \_\_\_\_\_

TYPE EQUIPMENT OR SYSTEM: \_\_\_\_\_

Prepared by

HEADQUARTERS, \_\_\_\_\_ AIR LOGISTICS CENTER (AFMC)  
DIRECTORATE OF \_\_\_\_\_  
\_\_\_\_\_ AIR FORCE BASE \_\_\_\_ 99999-9999

PREPARER: NAME/ORG/EXT \_\_\_\_\_

SOW FILE NO    /    /    /    PR NO:



Figure 20.3. (Continued).

Table of Contents		Date:
Section and Subsection		Page
1.	SCOPE AND PURPOSE:	1
1.1	Scope.	
1.1.1	Purpose.	
2.	GENERAL BACKGROUND:	1
2.1	General.	
2.2	Reference Documents.	
3.	CONTRACTOR TASKS/REQUIREMENTS:	2
3.1.	Compliance Documents.	
3.2.	Tasks.	
3.3.	Additional Data Requirements. <i>(If required)</i>	
4.	SECURITY REQUIREMENTS:	4
5.	QUALITY REQUIREMENTS:	4
6.	SAFETY REQUIREMENTS:	4
7.	SUPPLY SUPPORT REQUIREMENTS:	5
8.	SPECIAL CONSIDERATIONS:	6

1. SCOPE AND PURPOSE:

1.1 Scope.

1.1.1 Purpose.

2. GENERAL BACKGROUND:

2.1 General.

2.2 Reference Documents.

The following documents are to be considered as reference material for the purpose of interpreting the tasks of this SOW but are not contractual requirements.

Document No.	Document Design Activity	Date	Title
--------------	--------------------------	------	-------

3. CONTRACTOR TASKS AND REQUIREMENTS:

The contractor shall accomplish the following tasks:

3.1 Compliance Documents.

The contractor shall comply with the following documents of the exact issue shown and to the extent specified in the column entitled "Tailored Application". These must be used to accomplish the tasks of the SOW.

Document No.	Document Design Activity	Title	Tailored Application
--------------	--------------------------	-------	----------------------

3.2 Tasks. *(Remaining sections/paragraphs are as described in the regulation text)*

*(Note: This sample combines the table of contents and body on one page for economy. In actual use, the table of contents should appear on a separate page.)*

**Figure 20.4. Format for SOW Revisions-Cover Sheet.**

CONTRACT NO: \_\_\_\_\_ DATE: \_\_\_\_\_  
 REVISION NO: \_\_\_\_\_ DATE: \_\_\_\_\_

STATEMENT OF WORK (SOW)  
 FOR  
 TYPE OF WORK OR EFFORT: \_\_\_\_\_  
 TYPE EQUIPMENT OR SYSTEM: \_\_\_\_\_

Prepared by  
 HEADQUARTERS, \_\_\_\_\_ AIR LOGISTICS CENTER (AFMC)  
 DIRECTORATE OF \_\_\_\_\_  
 \_\_\_\_\_ AIR FORCE BASE \_\_\_\_\_ 99999-9999

PREPARER: NAME/ORG/EXT \_\_\_\_\_

SOW FILE NO    /    /    /    PR NO:

**Figure 20.5. Continued.**

[illegible]

Figure 20.6. Format for CLS SOW-Cover Sheet.

CONTRACT NO: \_\_\_\_\_ DATE: \_\_\_\_\_

STATEMENT OF WORK (SOW)

FOR

CONTRACTOR LOGISTICS SUPPORT (CLS)  
OPERATION AND MAINTENANCE

*Tailor for each separate work effort category  
i.e. (TRAINING SYSTEM SUPPORT CENTER (TSSC))  
(MODIFICATION SUPPORT) etc.*

*(System and Equipment Designator)*  
**AIRCREW AND MISSILE TRAINING DEVICES**

Prepared by

HEADQUARTERS, \_\_\_\_\_ AIR LOGISTICS CENTER (AFMC)  
DIRECTORATE OF \_\_\_\_\_  
\_\_\_\_\_ AIR FORCE BASE \_\_\_\_\_ 99999-9999

PREPARER: NAME/ORG/EXT

SOW FILE NO / / / PR NO:

Figure 20.7. Continued.

Table of Contents		Date:
Section and Subsection		Page
1.	SCOPE AND PURPOSE:	1
1.1	Scope.	
1.1.1	Purpose.	
2.	GENERAL BACKGROUND:	1
2.1	General.	
2.2	Reference Documents.	
3.	CONTRACTOR TASKS/REQUIREMENTS:	1
3.1	Compliance Documents.	
3.2	Tasks or Requirements.	
3.	Additional Data Requirements. <i>(If required)</i>	
4.	SECURITY REQUIREMENTS:	2
5.	QUALITY REQUIREMENTS:	2
6.	SAFETY REQUIREMENTS:	2
7.	SUPPLY SUPPORT REQUIREMENTS:	2
8.	SPECIAL CONSIDERATIONS:	2

1. SCOPE AND PURPOSE:

1.1 Scope.

1.1.1 Purpose.

2. GENERAL BACKGROUND:

2.1 General.

2.2 Reference Documents.

The following documents are to be considered as reference material for the purpose of interpreting the tasks of this SOW but are not contractual requirements.

Document No.	Document Design Activity	Date	Title
--------------	--------------------------	------	-------

3. CONTRACTOR TASKS AND REQUIREMENTS:

The contractor shall accomplish the following tasks:

3.1 Compliance Documents.

The contractor shall comply with the following documents of the exact issue shown and to the extent specified in the column entitled "Tailored Application". These must be used to accomplish the tasks of the SOW.

Document No.	Document Design Activity	Title	Tailored Application
--------------	--------------------------	-------	----------------------

3.2 Tasks. *(remaining paragraphs as described in regulation text)*

*(Note: This sample combines the table of contents and body on one page for economy. In actual use, the table of contents should appear on a separate page.)*

**Figure 20.8. SOW Functional and Task Elements.**

- (l) Management and operational requirements; and program specifications:
  - (a) General Specifications for Aerospace Electronic Equipment (MIL-E-5400).
  - (b) Interchangeable Parts (MIL-C-6781).
  - (c) Corrosion Prevention and Control.
  - (d) Standard Parts.
  - (e) Aircraft Strength and Rigidity (MIL-A-8865).
  - (f) Cockpit Controls (MIL-C-6781).
  - (g) Aircraft Electrical Power (MIL-STD-704).
  - (h) Electromagnetic Interference (MIL-STD-461).
  - (i) Aerospace Wiring (MIL-W-5088).
  - (j) Microelectronics (MIL-E-38510, MIL-STD-883).
  - (k) Software Development (DOD-STD-2167).
- (l) Electronic Equipment Test Provisions (MIL-STD-415).
- (m) Reliability (MIL-STD-785).
- (n) Maintainability (MIL-STD-470).
- (o) Electrostatic Discharge Control (MIL-STD-1686).
- (p) Test Sets (MIL-STD-28800).
- (q) System Safety (MIL-STD-882).
- (r) Nuclear Safety.
- (s) Human Factors Engineering.
- (t) Support Equipment.
- (u) Design and Cost.
- (v) Propellants.
- (w) System Engineering Management.
- (x) Specifications and Standards.
- (y) Vulnerability and Survivability.
- (z) Technology Development.
- (aa) Foreign Intelligence and Threat Development.
- (ab) Government Furnished Property.
- (ac) Special Munitions Specifications.
- (ad) Age of Exposure Items.
- (ae) Destruction of Unfired Explosives.
- (af) First Article Inspection.
- (ag) Transportability.
- (ah) Security.
- (ai) Space and Missile System Center (SMC) 77-6 for Intercontinental Ballistic Missile (ICBM).
- (2) Quality assurance:
  - (a) Quality Program (MIL-Q-9858).
  - (b) Contractor-Developed Procedures for all tests.
  - (c) Environmental Tests (MIL-STD-810).
  - (d) EMI Tests (MIL-STD-461, MIL-STD-462).
  - (e) Acceptance Tests.
  - (f) Tempest Tests.
  - (g) Software Verification (DOD-STD-2167, DOD-STD-2168).
  - (h) Inspection System (MIL-1-45208).
  - (i) Supplier Quality Assurance (MIL-STD-1535).
  - (j) Reliability Demonstration.
  - (k) Maintainability Demonstration.
  - (3) Maintenance concept:
    - (a) Manufacturing and Production.
    - (b) Corrosion Prevention and Control.
    - (4) Program schedule.
    - (5) Design reviews and configuration audits (MIL-STD-1521).
  - (6) Configuration management (MIL-STD-480, 481, 483):
    - (a) Computer Resource Management.
    - (b) Data Management.
    - (c) Integration Management.
    - (7) Calibration.
  - (8) Integrated Logistics Support (ILS): (DODI 5200-2/AFSUP1).
    - (a) ILS Plan.
    - (b) Contractor Support.
    - (c) Life Cycle Cost.
    - (d) Logistic Support Analysis and LSA Records (MIL-STD-1388).
    - (e) Repair Level Analysis.
    - (f) Manpower and Personnel.
    - (g) Training and Training Devices.
    - (h) Facilities.
    - (i) Packaging, Handling and Transportation.
    - (j) Support Equipment Requirement Documents.
  - (k) Supply Support and Provisioning.
  - (l) Engineering Drawings.
  - (m) Publications.
  - (p) Computer Resources Support.
  - (o) Spares.
  - (p) Program Management.
  - (q) Fabrication Analysis.
  - (r) Modification Support.

Figure 20.9. SOW Preparation Checklist.

<p><b>PRE-SOW PREPARATION CHECKLIST</b></p> <p><b>a. PREPARATION CONSIDERATIONS.</b> Before developing the SOW you should:</p> <ol style="list-style-type: none"> <li>(1) Consider all competition in contracting act (CICA) requirements.             <ol style="list-style-type: none"> <li>(a) Determine if the effort is competitive or other than full and open competition (OTF&amp;OC).</li> <li>(b) If OTF&amp;OC, make sure that justification and approval document has been or will be prepared and approved.</li> </ol> </li> <li>(2) Determine if an acquisition plan or business strategy panel is required.</li> <li>(3) Gain a clear understanding of your program objectives and constrain</li> <li>(4) Identify and analyze similar or related efforts.             <ol style="list-style-type: none"> <li>(a) Review past endeavors pertaining to your effort.</li> <li>(b) Evaluate their applicability to your effort.</li> <li>(c) Hold a technical interchange meeting as required.</li> <li>(d) Identify the data that can be used as a base for your effort.</li> </ol> </li> <li>(5) Acquire an awareness of interfaces with other acquisitions and programs.             <ol style="list-style-type: none"> <li>(a) Has effort been coordinated with using commands?</li> <li>(b) Are these other acquisitions compatible with your program scheduling?</li> <li>(c) Are you sure that you are not going to duplicate the efforts performed in the other programs?</li> <li>(d) Have you contacted other program personnel for "lessons learned?"</li> </ol> </li> <li>(6) Coordinate SOW preparation with the TRD preparation, when used, to make sure they are compatible with program objectives.</li> <li>(7) Determine priorities to resolve conflicts such as risk versus schedule versus performance, and so forth.</li> <li>(8) Develop cost estimates.             <ol style="list-style-type: none"> <li>(a) Have you included anticipated risk factors in estimating cost?</li> <li>(b) Are you within your program budget constraints?</li> </ol> </li> <li>(9) Determine whether or not a contract work breakdown structure will be required. (Reference MIL-STD-881.)             <ol style="list-style-type: none"> <li>(a) Develop a top level structure.</li> <li>(b) Identify cost drivers.</li> <li>(c) Develop a dictionary.</li> </ol> </li> <li>(10) Contact contracts personnel to determine appropriate contract type.             <ol style="list-style-type: none"> <li>(a) Identify risk factors.</li> <li>(b) Determine or consider special and general contract provisions.</li> </ol> </li> <li>(11) Determine whether or not a data call is required.</li> </ol> <p><b>b. SOW PREPARATION.</b> During the development of the SOW you should:</p> <ol style="list-style-type: none"> <li>(1) Develop the SOW base criteria:             <ol style="list-style-type: none"> <li>(a) Develop information concerning your acquisition.</li> <li>(b) Identify program controls and constraints.</li> <li>(c) Establish definable technical objectives.</li> </ol> </li> <li>(2) Scope your acquisition objectives to the estimated cost range.</li> <li>(3) Prepare a draft SOW which:             <ol style="list-style-type: none"> <li>(a) Includes a logical grouping and continuity of tasks.</li> <li>(b) Does not contain unnecessary or duplicative tasks.</li> <li>(c) Does not inadvertently omit essential tasks.</li> </ol> </li> <li>(4) Solicit SOW inputs and requirements from appropriate functional office of primary responsibility, utilizing this checklist and functional elements checklist.</li> <li>(5) Request a formal data call to determine data requirements resulting from work tasks.</li> </ol>
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Figure 20.10. (Continued)

<p>(6) Cite specifications and standards to impose tasks whenever possible.</p> <p>(a) Make sure that these documents are of the latest issue.</p> <p>(b) Review these documents to make sure that they have been tailored to include only the minimum work necessary for your acquisition.</p> <p>(7) Avoid the use of government regulatory documents to impose work requirements.</p> <p>(8) Make sure that all cited compliance documents</p> <p>(a) Have been coordinated, approved, and meet the specific parameters of your program.</p> <p>(b) Are dated and have a control number.</p> <p>(9) Make sure that program technical requirements are stipulated in a technical requirements document or in an approved specification and cited for compliance in Section 3.</p> <p>(10) Structure each task to meet a limited scope for a specific functional need.</p> <p>(11) Make sure that each task is relevant to the effort and not an overemphasis.</p> <p>(12) State tasks so that a contractor understands and can satisfactorily perform them.</p> <p>(a) Confine technical language to what is essential to clarify a task.</p> <p>(b) Use simple, direct language.</p> <p>(c) Use "shall" for mandatory and "will" for government intent.</p> <p>(d) Avoid management direction; concentrate on the nature and results of the work.</p> <p>(e) Do not include direction to prepare, develop, or deliver data.</p> <p>(f) Related SOW tasks and requirements will generate data.</p> <p>(13) State tasks that are definitive enough to protect government interests yet flexible enough to capitalize on the contractor's creativity and experience.</p> <p>(14) Cross reference CDRLs or DIDs and the tasks which result in these data.</p> <p>(15) Ensure all items and engineering data are identified by their complete design activity CAGE and part or drawing number IAW MIL-STD-100.</p> <p><b>POST-SOW PREPARATION CHECKLIST</b></p> <p>a. Have you made sure that all applicable disciplines have been addressed?</p> <p>b. Have you purged all information that does not contribute to the acquisition?</p> <p>c. Have you grouped all tasks pertaining to a specific effort a logical sequence?</p> <p>d. Have you entered in Section 3 all management systems, specifications, and standards cited as compliance documents?</p> <p>e. Have you tailored all compliance documents to the minimum requirements?</p> <p>f. Are the tasks clear and concise, accurately describing the work required?</p> <p>g. Have you analyzed the tasks to make sure that they do not overstate or understate the actual acquisition requirements?</p> <p>h. Is there only one interpretation of the requirements?</p> <p>i. Are the tasks free from ambiguous terms and vague language such as "as a minimum," "as necessary," or "as required"?</p> <p>j. Do the tasks use the simplest words and phrases possible?</p> <p>k. Are the tasks stated in terms of performance?</p> <p>l. Are the tasks individually priceable?</p>
--



Figure 20.11. CDRL Preparation Checklist.

<p><b>PRE-CDRL AND POST-CDRL PREPARATION CHECKLIST</b></p> <p><b>1. PRE-CDRL PREPARATION.</b> In support of the development of the CDRL you must:</p> <ul style="list-style-type: none"><li>a. Establish your data requirement.</li><li>b. Select and tailor DD Form 1664, Data Item Description (DID).</li><li>c. Prepare an AF Form 585, <i>Contractor Data Requirement Substantiation</i>, for each data requirement.</li><li>d. Make sure that deliverable data is essential, cost effective, and appropriate for your program and type of contract.</li><li>e. Make sure that data to be delivered results from the performance of SOW tasks or requirements and that the CDRLs and DIDs themselves do not generate tasks.</li><li>f. Make sure that DIDs have been tailored to represent the minimum needs.</li><li>g. Consider maximum use of contractor format for data preparation.</li><li>h. Correlate and reference each CDRL and DID with a SOW task or requirement.</li></ul> <p><b>2. POST-CDRL PREPARATION CHECKLIST</b></p> <ul style="list-style-type: none"><li>a. Do all tasks that have data resulting from their performance contain a reference to the specific CDRL sequence number or DID number?</li><li>b. Have you excluded all data preparation and delivery instructions from the SOW?</li></ul>
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Figure 20.12. SOW “Work” Words.

analyze	(solve by analysis)	inspect	(examine carefully, officially, test, or qualify)
ascertain	(find out with certainty)	install	(place; put into position)
attend	(be present at)	institute	(set up; establish; begin)
audit	(officially examine)	interpret	(explain the meaning of)
build	(make by putting together)	inquire	(ask; make a search of)
calculate	(find out by computation)	integrate	(to add parts to make whole)
consider	(think about; decide)		
construct	(put together; build)	investigate	(search into; examine closely)
control	(direct; regulate)	judge	(decide; form an estimate of)
contribute	(give with others)	make	(cause to come into being)
compare	(find out likeness or difference)	manufacture	(fabricate from raw material)
create	(cause to be; make)	observe	(inspect; watch)
determine	(resolve; decide)	organize	(integrate; arrange in a coherent unit)
differentiate	(make a distinction between)	perform	(do, carry out; accomplish)
develop	(bring into being; create)	probe	(investigate thoroughly)
define	(make clear; settle the limits)	produce	(give birth to; rise to)
design	(perform an original act)	purue	(seek; obtain or accomplish)
evolve	(develop gradually; work out)	reason	(think; influence another's actions)
examine	(look at closely)	recommend	(advise; attract favor of)
explore	(examine for discovery)	record	(set down in writing or electronic reproduction of communications)
extract	(take out; deduce; select)		
erect	(put together; set upright)	resolve	(reduce by analysis; clear up)
establish	(set up; settle; prove beyond dispute)	review	(inspection; examination or analysis)
estimate	(approximate an opinion of)	scan	(look through hastily)
evaluate	(find or fix the value of)	search	(examine to find something)
fabricate	(build; manufacture; invent)	seek	(try to discover; make an attempt)
form	(give shape to; establish)	solve	(find an answer)
formulate	(to put together and express)	study	(careful examination or evaluation)
generate	(produce; cause to be)	trace	(to copy or find by searching)
		track	(observe or plot the path of)

20.6.8.4. Comply with the intent of this regulation.

20.6.8.5. Employ work words to describe explicitly and in exacting terms what will be accomplished.

20.6.9. Page numbering will be structured as follows:

20.6.9.1. Cover page, not numbered.

20.6.9.2. List of revised pages i.

20.6.9.3. Table of contents ii.

20.6.9.4. Body of SOW in sequence beginning with 1.

**20.7. SOW Format.** Sections and subsections will be numbered using the decimal numbering system.

20.7.1. Sections will be numbered as follows:

1. SCOPE AND PURPOSE.

2. GENERAL BACKGROUND.

3. CONTRACTOR TASKS OR REQUIREMENTS.

4. SECURITY REQUIREMENTS.

5. QUALITY REQUIREMENTS.

6. SAFETY REQUIREMENTS.

7. SUPPLY SUPPORT REQUIREMENTS.

8. SPECIAL CONSIDERATIONS.

**NOTE:** All letters of the subject identification will be capitalized without underlining.

20.7.2. Subsections will be numbered consecutively within sections of the SOW using the decimal system. A period is used to separate and identify the subsections. Example: Section 3 of a SOW will be numbered as follows:

3. CONTRACTOR TASKS OR REQUIREMENTS.

3.1 First Sublevel Paragraph

3.1.1 Second Sublevel Paragraph

### 3.1.1.1 Third Sublevel Paragraph

**NOTE:** In subparagraphs, the first letter of each word of the subject identification will be capitalized and the subject identification underlined. Section breakdowns should be kept to the minimum necessary to clearly define the tasks the contractor is required to perform.

## 20.8. Contents of SOW Sections.

### 20.8.1. Section 1. SCOPE AND PURPOSE:

20.8.1.1. Subsection 1.1 Scope. The scope must clearly and concisely provide an overall picture of the desired work program and will be consistent with the detailed tasks of Section 3. It will state the limits of the program in terms of results to be achieved.

20.8.1.2. Subsection 1.2 Purpose. The purpose is intended to provide a brief overview of the reason for the program and explain why a particular new program is being pursued. The purpose will explain in terms of what the tasks will accomplish and what obstacles must be overcome to achieve the objective.

### 20.8.2. Section 2. GENERAL BACKGROUND:

20.8.2.1. Subsection 2.1 General. This section should include any background information or explanations which are necessary to understand the procurement requirements. It should identify the procurement and project offices which are responsible for the contract and technical management activities, respectively.

20.8.2.2. Subsection 2.2 Reference Documents. This section will consist of a listing of appropriate reference documents. These documents are not contractor tasks but serve to enlighten the contractor on specific subjects. These documents are often used as guidelines. Some examples are regulations or directives, prior related studies, or policies and procedures that are management oriented. This data will identify current dates.

20.8.3. Section 3. CONTRACTOR TASKS OR REQUIREMENTS. This section should define the work to be accomplished by identifying specific tasks required of the contractor. The major task breakdown will be compatible with the effort described in the SCOPE paragraph and with the Work Breakdown Structure (WBS), MIL-STD-881. Task descriptions will clearly state what is required of the contractor. Unnecessary information that does not contribute to the identification of contractor effort will be avoided. The basic task will include the following directive statement: "The Contractor shall accomplish the following tasks:"

20.8.3.1. Subsection 3.1 Compliance Documents. The first paragraph in the contractor tasks will list all the management systems and technical requirements documents referenced for compliance and their tailored application. Pursuant to FAR Part 10, they will be identified by the exact issue, full title, all amendments or change notices thereof, and applicable dates.

20.8.3.1.1. The tailored application column should identify the requirements that apply or those that are excluded, whichever is the most practical. Extensive tailoring and modification can be accomplished by including the words "As specified in the following:" in the Tailored Application column and then using the full width of the page directly below the document listing for the tailoring.

20.8.3.1.2. Cite only those documents with which the contractor is required to comply. Each document will identify specific tasks.

20.8.3.1.3. Do not list "second tier" documents which are an integral part of a compliance document.

20.8.3.1.4. All documents listed in the SOW must be provided to the contractor through the procurement agency. Before a document is cited, the preparer will make sure that the document is approved, published, and copies will be available for issue to the contractor.

20.8.3.1.5. The compliance documents will be structured as shown in Figure 20.2, 20.3, or 20.4 as applicable.

20.8.3.2. Usually government regulatory documents are not cited for compliance.

20.8.3.2.1. The exceptions are in acquisitions where a contractor is required to accomplish tasks normally performed by the government, such as operation and maintenance contracts and in acquisitions that address highly specialized or unique areas, such as special safety requirements and nuclear materials certification or handling.

20.8.3.2.2. In the event government regulatory documents are used, they will be reviewed prior to their inclusion in the SOW to ascertain that they are absolutely necessary. If necessary and if possible, the necessary information should be extracted from the document and placed in the body of the SOW for contractor compliance.

20.8.3.2.3. If the necessary information is extracted from a document and placed in the body of the SOW, reference to the document as a compliance document in Subsection 3.1 can be avoided.

20.8.3.3. The basic process in the selection, tailoring, and application of existing specifications and standards to a given need involve the following steps:

20.8.3.3.1. Identify from the total realm of specifications and standards the documents that may have application to the particular acquisition.

20.8.3.3.2. Review and evaluate these to select the specifications and standards that have specific applications.

20.8.3.3.3. Evaluate the cost of imposing each requirement against the benefits that will be realized.

20.8.3.3.4. Exclude the provisions (sections, paragraphs, or sentences) not required for the specific application.

20.8.3.3.5. Tailor the surviving provisions to impose only the minimum requirements necessary to support the system. NOTE: This process is particularly applicable in the selection and application of nonproduct specifications and standards. On the other hand, product specifications, such as those for parts, material, and components are not as susceptible to tailoring because they have been developed around a specific set of design performance characteristics. Tailoring of the requirements contained in the product specification would normally be accomplished during the development of the TRD, independent of a specific program. The decision regarding the use of product specifications in materiel acquisitions is normally a matter of adopting it in full or rejecting it completely. If absolutely necessary, specifications may

be tailored to accomplish particular tasks. In the tailoring process, caution must be exercised to achieve the desired balance between performance and life cycle cost.

20.8.3.4. All data requirements delivered in the performance of the contract will be submitted in accordance with a CDRL. If possible, when the task generates data, data items must be identified within the paragraphs that task the contractor with specific work requirements. If not possible, add data requirements to the end of Section 3.

20.8.4. Section 4. SECURITY. Security requirements will be determined jointly by the program manager or SOW initiator along with the equipment specialist or engineer, and if a DD Form 254 is required, coordinate with the supporting Industrial Security Office. NOTE: If the SOW is for Contractor Field Team (CFT) on base effort and security is required, the SOW will state that a DD Form 254 is required and the following paragraph will be included: "Thirty days prior to the time contractor operations begin on base the contractor shall notify the host installation Security Police activity to develop local security agreements which define responsibility for various security monitoring functions such as facility access controls, computer and other equipment security, and other required security related or coordinated requirements.

20.8.5. Section 5. QUALITY REQUIREMENTS. Quality provisions and requirements will be acquired from the appropriate quality assurance office within each directorate.

20.8.6. Section 6. SAFETY REQUIREMENTS. System safety provisions and requirements will be acquired from the weapon system safety program officer. Other safety requirements will be acquired from the SEG and may be in the form of an Appendix "C" or put in the body of Section 6 of the SOW.

20.8.7. Section 7. SUPPLY SUPPORT REQUIREMENTS. Supply support information should include the instructions for government furnished property (GFP) if required. (Reference AFMCR 66-8, Chapter 4 and paragraph 18.4 of this regulation for additional supply support information.)

20.8.8. Section 8. SPECIAL CONSIDERATIONS. The preparer will consider any special considerations or requests such as differences between the SOW, purchase description, TRD, special studies, management meetings, periodic program reviews, and so forth. These special considerations must not conflict with any contractor tasks or requirements in other parts of the SOW.

**20.9. SOW Attachments.** Documents that must be added to the SOW for supplemental information or requirements shall be identified and applied as attachments to the SOW.

**20.10. SOW Coordination.** Activities which prepare SOWs should develop a standardized coordination sheet to ensure that all affected functions receive copies of the SOW for coordination. Input and coordination by involved organizations make a quality SOW.

**20.11. Other Technical Attachments to Repair, Modification, and Services PRs.**

20.11.1. Contract Data Requirements. See paragraph 18.2 and 18.3 for procedures used to build the Contract Data Requirements List (CDRL). When maintenance data collection is required, use DID DI-L-3352A in conjunction with Technical Order 00-20-2.

20.11.2. Justification and Approval (J&A). When technical aspects of the requirement (e.g., qualification requirements) restrict the buyer from using Full & Open Competition (F&OC) procedures, the preparer of the SOW/MWS must also initiate and process Part I of a (c)(1) J&A per para 4.5. When

urgency or other non-technical factors prevent use of F&OC, the PR initiator must initiate and process the appropriate J&A per para 4.5.

20.11.3. Government Furnished Property Lists. See paragraph 18.10 for a discussion of GFP concepts, policy, and detailed instructions for building the GFP list.

## **20.12. HAZMAT and ODC Restrictions.**

20.12.1. Air Force pollution prevention policy requires that requirements and technical personnel minimize the use of HAZMATs in the performance of repair and other service contracts. Even if use of a HAZMAT appears unavoidable, the SOW and solicitation should explicitly provide prospective offerors the opportunity to propose less-hazardous alternatives. Apply the general principles and guidelines in para 15.5.3 through 15.5.3.5 for such cases.

20.12.2. See para 15.5.3.6 for guidance on ozone-depleting chemicals (ODCs).

**PART 5****COORDINATION, COMPLETION, AND MANAGEMENT OF THE PURCHASE REQUEST****Chapter 21****PR ASSEMBLY AND COORDINATION**

**21.1. General.** PR initiators follow the procedures in Chapters 5-9 (for items) or Chapter 19 (for non-item buys) to initiate and gain approval for the PR. Upon securing approval for the buy, the initiator obtains and attaches the applicable TRP(s), MWS(s), and/or SOW(s) to the PR. The package is then subjected to further processing as described below in order to become a "procurable" PR.

**21.2. Request for Engineering Data.** When the PR/TRP requires a bidset (indicated by an AMC/AMSC of 1G or 2G), the local procedures will allow for a timely request to the data repository for preparation of the bidset. The repository will assemble the required bidset and at local option will either:

21.2.1. A. Reproduce one copy of the bidset and forward it with the PR to the responsible PR/MIPR Control function, and hold the assembled master bidset for further requirements from the contracting function; or

21.2.2. B. Hold the assembled master bidset, doing no reproduction until the contracting function has determined the actual number of copies needed. (Option "A" may save time when the actual requirement turns out to be only one copy; option "B" saves time when multiple copies are needed by doing all copies on one pass through reproduction. However, the repository must provide timely response to the contracting function's requirement for bidsets. Other local variations may be developed.)

**21.3. PR/MIPR Control Function.** As described in para 3.1.3, each Center will determine the most effective and efficient organizational structure for the PR/MIPR Control function, including whether it will be centralized, decentralized, or a hybrid. Each PR/MIPR Control function will follow the procedures described below. As necessary, further amplification of these procedures will be published by local supplement to this regulation.

**21.4. Receipt and Coordination Processing (ALCs).** ALCs use the J041 Acquisition and Due-In System to track and control PRs through the coordination cycle. Detailed instructions for use of J041 are in AFMCR 70-11, *Acquisition and Due-In System (ADIS)(J041)*. The following paragraphs detail the required activities which lead to J041 inputs.

21.4.1. After the PR initiator has created a manual PR and delivered it to PR/MIPR Control, PR/MIPR Control inputs the "A" transaction. Local procedures will define how many copies will be provided to PR/MIPR Control and who will make the copies. When PR initiators use the J023 system to prepare mechanized PRs, the "A" transaction is automatically overlayed when the initial PR is requested. PR/MIPR Control will also input the A1 and B transactions upon receipt and acceptance of the PR, and forward a copy of the PR and Section 1 of the TRP/SOW/MWS to the contracting function for advance synopsis in the Commerce Business Daily.



21.4.2. PR released for coordination. PR/MIPR Control will dispatch the necessary copies for coordination, and record this action by input of the "C" transaction. The "C" input also establishes the basic PR data in J041; line item detail is established for manual PRs by PR/MIPR Control input of appropriate Line Item Detail transactions. Line item detail is overlaid automatically for J023 PRs. When processing the basic "C" transaction, PR/MIPR Control will also indicate which of the following coordination activities are not applicable.

21.4.3. Engineering Data Branch coordination received. If option "a" in para 21.2 is used, PR/MIPR Control inputs the "F" transaction upon receipt of the bidset. Otherwise, the "F" transaction is not applicable.

21.4.4. Provisioning branch coordination received. Provisioning branch coordination is applicable only for PRs which (1) bring new systems or equipment into the inventory which will require spare parts support in the future, or (2) modify a system or item in such a manner as to cause changes in its established spare parts support requirements. Provisioning branch coordination examines the PR to ensure that appropriate line items are included to obtain provisioning data and/or provisioned spares (if necessary, provisioning branch will add the line item(s)) and that necessary provisioning action plans have been initiated. As required, provisioning branch will append the AFMC Form 718, *Provisioning Performance Schedule* (see AFMCR 65-5); the DD Form 1949-3, *Logistics Support Analysis Record (LSAR) Data Requirements* (see MIL-STD-1388-2), and the AF Addendum to the LSAR (see AFMCR 65-5). Upon receipt of provisioning branch coordination, PR/MIPR Control inputs the "G" transaction.

21.4.5. Small Business coordination received. PR/MIPR Control will forward a copy of the PR, with attachments, to the Small Business function/Small Business Administration office for coordination. Upon receipt of the coordination, PR/MIPR Control inputs the "H" transaction. At local option, Small Business coordination may be accomplished by the contracting function following receipt of the advance synopsis copy of the PR. When using this option, PR/MIPR Control will not track this coordination.

21.4.6. Packaging and materiel handling control branch coordination received. This coordination is applicable only to PRs which include deliverable (due-in) assets. Packaging and materiel handling control coordination examines the deliverable PR line items and designates appropriate packaging requirements for inclusion in the TRP Section 5. Upon receipt of this coordination, PR/MIPR Control inputs the "I" transaction.

21.4.7. Transportation coordination received. This coordination is applicable to all PRs with deliverable (due-in) line items or which call for transportation of assets from one point to another (e.g., to provide GFP for a services contract). Transportation coordination examines the PR to validate (and correct, if necessary) the shipping destination addresses and to recommend F.O.B. terms and appropriate clauses best suited to the procurement. For FMS and Grant Aid shipments, transportation specialists extract key information from the data in the PR "ship to" and "mark for" fields to build the Military Assistance Program Address Code (MAPAC). The transportation function will complete a DD Form 1653, *Transportation Data For Solicitations*, and attach it to the PR, and if necessary will add line items and/or fund cites for transportation services and funding. Upon receipt of the transportation coordination, PR/MIPR Control will input the "J" transaction.

21.4.8. Quality assurance coordination received. Quality assurance coordination is applicable only to those PRs lacking a complete and accurate TRP Section 4 for items or SOW Section 4 for services.

The coordination is optionally applicable to PRs at the request of the initiator, equipment specialist, or quality specialist as indicated on the TRP Cover/Transmittal Sheet (AFMC Form 24). J023 mechanized PRs which are flagged "QA Review Required" require this coordination unless the TRP's Section 4 is complete. Upon receipt of quality assurance coordination, PR/MIPR Control inputs the "L" transaction. At local option, the QA coordination may be completed prior to the request for transportation coordination to ensure a proper alignment of inspection and acceptance points (defined by the QA specialist) and the transportation provisions.

21.4.9. Local procedures may define additional coordinations using other defined J041 coordination control codes.

**21.5. Funds Certification and Release to Contracting.** When all applicable coordinations have been received, PR/MIPR Control finalizes the PR package by compiling all added attachments and line items into a single document. PR/MIPR Control then forwards the original PR without attachments to Financial Management for funds certification. Financial Management certifies the funds availability, adds applicable funds remarks or instructions to the buyer, and returns the PR to PR/MIPR Control. PR/MIPR Control reassembles the complete package, which is at this point considered a "procurable" PR. PR/MIPR Control inputs the "K" transaction indicating funds certification and the "R" transaction indicating release to the contracting activity, and dispatches the package to contracting.

**21.6. Distribution of Copies of the PR.** Depending on the content of the PR, certain functions will need copies of the final PR package to accomplish their part of the acquisition process or for management control. As indicated below, PR/MIPR Control will provide copies of the final PR or complete PR package.

21.6.1. A copy of the PR and TRP/SOW to MUCO for each PR proposing GFP in support of FMS requirements.

21.6.2. Other value-added distribution as determined locally.

### **21.7. Changes to the PR During Coordination.**

21.7.1. Once the PR initiator has submitted the PR to PR/MIPR Control, he or she must coordinate any proposed requirement data change with that function. Upon identifying the need to change any requirement data on the PR, the PR initiator will contact PR/MIPR Control to determine if the PR has gone to Financial Management for funds certification. If it has, the initiator will prepare an amendment per Chapter 25. If it has not, the initiator will provide PR/MIPR Control a note, E-mail, reaccomplished PR (clearly marked as such), or other appropriate documentation showing the needed change. PR/MIPR Control will determine if the change warrants notification to any coordinating activities and/or reaccomplishment of completed coordination, and will take the appropriate action.

21.7.2. If changes to the technical requirements data in the TRP, MWS, or SOW are identified after the PR has been submitted to PR/MIPR Control, the involved technical specialist will contact the PR initiator and PR/MIPR Control. They will jointly determine the impact of the change on the PR requirements data, and on the coordination requirements. If the technical requirements change drives a PR requirement data change (e.g., adding a first article line item), the PR initiator submits the PR change (or amendment) per para a. above. The technical specialist submits the changed technical requirement to PR/MIPR Control. PR/MIPR Control will determine if the change warrants notification to any coordinating activities and/or reaccomplishment of completed coordination, and will take the appropriate action.

**21.8. PR Reworks and Corrections.** When a PR has been passed to the buyer and a problem prevents the buyer from proceeding, the buyer will request a rework or correction. The following procedures apply to these actions:

21.8.1. The buyer will contact the PR initiator or the technical specialist responsible for the discrepant area by the quickest means possible (telephone, direct contact, etc.) to resolve the problem. In every case possible, the PR initiator/technical specialist will provide immediate answers; where this is not possible the responsible person will provide the needed answer as quickly as possible. (Of course, urgent and emergency PR problems warrant a greater level of effort than do routines.)

21.8.2. The buyer should document the problem, who was contacted, when the contact(s) occurred, and promised action(s). The J041 system at the ALCs allows for use of certain transactions to stop or reset the cycle time clock. Local policy will guide the use of these transactions. However, whether or not the J041 timeclock is stopped or reset, the buyer will not physically return the PR package unless requested by the initiator or technical specialist. After the buyer has exhausted all means to resolve the problem without success, the buyer should elevate the issue to management for resolution.

## Chapter 22

### PR AND CONTRACT AMENDMENTS

**22.1. General.** Once PR/MIPR Control has requested a "final" PR for J023 PRs being processed mechanically; or submitted the manual PR (AFMC Form 36 or J023 initial PR being processed manually) for Financial Management funds certification, the following types of changes may only be made by formal amendment to the PR. Prior to submitting any amendment to PRs in contracting, the initiator must immediately contact the buyer and obtain agreement that the proposed amendment can be accepted and processed.

22.1.1. Adding or deleting line items or subline items. The PR initiator may add related line items or subline items, such as a WRM quantity subline added to the existing POS line item or an accidentally overlooked data line item added to a services PR. Unrelated line items/subline items will not be added to a PR after funds have been certified

22.1.2. Changing the quantity on a line item or subline item. The PR initiator will use an amendment to increase or decrease the line item quantity, including decreasing it to zero (in effect, deleting the line item). However, quantity discount procedures provide for use of a QD analysis worksheet to approve the actual buy quantity; the combination of the QD worksheet and the Administrative Commitment Document (ACD) processed by the buyer eliminate the need for an amendment in these situations. When offerors propose quantities different from the PR line item quantities (e.g., economic production or minimum buy quantities), the changes to the PR may be handled as for QDP; no amendment is necessary. However, the contracting function must update J041 due-in asset quantity information.

22.1.3. Changing certain cost figures or the funds cite. The initiator will use an amendment to change any fund cite information and any cost figure changes driven by actions in para a. and b. above. No amendment is required to effect cost figure changes driven by contractor quotes, rollover of funds at the end of the fiscal year, etc. (these are processed via an ACD from the buyer).

22.1.4. Complete PR cancellations. Normally, only the PR initiator may cancel a PR. Center policy may establish criteria for control/cancellation of longstanding rework status PRs showing little progress towards resolution.

**22.2. Preparation of Amendments (Manual AFMC Form 36 PRs).** PR initiators will use AFMC Form 36 to prepare amendments for manual PRs.

22.2.1. Complete blocks 1, 2, 3, 4, 5, 6, and 14a per Chapter 5 or 19.

22.2.2. Use the purpose statement (para 7.3.1/19.5.1) to clearly describe the intent of the amendment, specifically listing all data elements being changed and identifying the "from" and "to" of the change.

22.2.3. Indicate in block 8a the line item/subline item number being amended; in block 8b indicate the NSN (for items) or Special Stock Class Assignment (pseudo code) and Service Description (for repair, modification, and other services) as was entered on the original PR. Enter the appropriate Card Code (CDD0603542). In block 12, indicate that the buyer (by name) was contacted (specify the date of contact) and has agreed to accept the amendment.

22.2.4. List all other elements and attach any attachments which are changed by the amendment. If the cost figures are being amended, show the new total cost in block 9 and indicate the amount of the amendment increase or decrease at the bottom of block 8g.

22.2.5. The initiator will sign in block 14a. Additional coordination/approval will be accomplished per local policy.

**22.3. Preparation of Amendments (J023 Mechanized PRs).** When the PR was created using the J023 system and processed as a J023 "final" PR, the PR initiator may request the amendment through J023. Detailed procedures are in AFMCM 70-101.

**22.4. Preparation of Line Item or Total Cancellation Amendments.** Except as allowed by local supplementation to para 22.1.4, only the PR initiator may cancel a line item or PR. For consolidated PRs, the initiator must secure the coordination of all involved IMSs before requesting total cancellation of a PR.

**22.5. Coordination of Amendments.** Upon receipt of a PR amendment, PR/MIPR Control will determine which coordination is affected by the changes and obtain that coordination. J041 does not track amendment coordination; therefore, PR/MIPR Control must manually suspense requested coordinations. The following guidelines apply to amendment coordination:

22.5.1. Any change to funds information (amount or fund cite) must be coordinated with accounting and finance.

22.5.2. Any change in delivery information (schedule or destination) must be coordinated with the transportation function.

22.5.3. Other required coordination will be as determined locally.

**22.6. Amendments After Contract Award.**

22.6.1. Following contract award, PR amendments may not be used to add requirements. Instead, the initiator will prepare a new PR with reference (if appropriate) to the existing contract.

22.6.2. The PR initiator may prepare and process a PR amendment to effect a change in the item's NSN or other indicative data marking resulting from a stocklist change action. For such postaward administrative changes (not involving an increase or decrease in the funds), the amendment will reflect J041 card code "BX". Alternatively, the PR initiator may prepare an administrative change letter or official memo to the contracting officer with the necessary instructions. The contracting officer will process a contract modification accordingly. Any postaward changes affecting the funds will require a new PR referencing the involved contract to ensure proper coordination and tracking.

**22.7. Initial/Amended Shipping Instructions (ISI/ASI).** PR initiators will use AFMC Form 270, *Request for Issuance of Shipping Instructions*, (Figure 22.1), to provide initial shipping instructions when the PR could not provide that information, or to request changes to the shipping instructions. These instructions are limited to quantity and destination; the initiator must use AFMC Form 200, *Accelerated Delivery Request*, (paragraph 22.9), to change the delivery schedule. Under no circumstances will PR initiators establish direct contact with contractors to request or task initial or amended shipping instructions.

PR initiators must present all such requirements to the appropriate contracting function/ contracting officer.

22.7.1. At some point during the contract performance period, the PR initiator must process an AFMC Form 270 to establish initial shipping instructions if that data was not provided on the PR. This date must be no later than 60 days prior to the first scheduled delivery. Similarly, the PR initiator may determine that a change in shipping instructions is warranted. This is also documented on the AFMC Form 270, and must normally be processed no later than 60 days prior to first scheduled delivery.

22.7.2. The initiator prepares an AFMC Form 270 as follows:

22.7.2.1. Enter the current date in block 1.

22.7.2.2. Check "initial" or "amended" in block 2 as applicable to this request.

22.7.2.3. Enter the appropriate contracting function's or contracting officer's name and office symbol in block 3.

22.7.2.4. Enter the initiator's name, office symbol, and telephone in block 4.

22.7.2.5. Enter the contractor's name and address in block 5.

22.7.2.6. Enter the contract or purchase order number in block 6.

22.7.2.7. Enter the local reference/control number in block 7. This is used at local option using local format to track and control ASI/ISI processing. (If used, the prescribing authority must establish management controls to maintain a control number register.)

22.7.2.8. Enter the NSN (or other applicable identifier) in block 8.

22.7.2.9. Enter the item's nomenclature in block 9.

22.7.2.10. Enter the Contract Line Item Number for the item in block 10.

22.7.2.11. Enter the item's unit of issue in block 11.

22.7.2.12. INITIAL SHIPPING INSTRUCTIONS:

22.7.2.12.1. Leave blocks 12a and 12b blank; enter a quantity and ship-to SRAN in blocks 13a and 13b.

22.7.2.12.2. Enter two lines of information in block 14 as follows: the plain-text address for the ship-to SRAN on the first line, and the "mark for" and transportation data on the second line (this may include as needed the MILSTRIP requisition number, supplemental address code, priority, need date, TCN, Project Code, etc.)

22.7.2.12.3. Enter the accounting classification of the item in block 15.

22.7.2.12.4. Repeat the above steps as needed to designate ISI for the total quantity of the CLIN shown in block 10. Verify that the quantities sum up correctly to match the CLIN quantity.

22.7.2.13. FOR AMENDED SHIPPING INSTRUCTIONS:

22.7.2.13.1. The first entry for the CLIN will be the "losing" address, shown by entering the SRAN and total quantity to be deducted in 12a and 12b (this may or may not be the total quantity of the Contract Line Item Number (CLIN)). Leave 13a and 13b blank on this line. Enter one

line of information in block 14, showing the losing SRAN's plain language address. If necessary for clarity, include the losing SRAN's mark for data as a second line. Verify that the quantity in 12a is not greater than that currently designated for that SRAN.

22.7.2.13.2. Following the losing SRAN line, enter the gaining SRANs and associated quantities in 13a and 13b. Leave 12a and 12b on these lines blank. Enter block 14 information as in 22.7.2.12.2 above.

22.7.2.13.3. Enter the accounting classification of the item in block 15.

22.7.2.13.4. The above instructions apply to a single shipment being split out to multiple destinations; it is also possible to amend multiple shipments into fewer destinations or simply change destinations while keeping the same number of shipments. After listing all losing and gaining SRANs, the initiator will verify that the sum of column 12a deduct quantities equals the sum of column 13a gaining quantities.

22.7.2.14. Enter applicable remarks in block 15. The initiator must identify the following when applicable:

22.7.2.14.1. Plainly mark or stamp special handling requirements such as MICAP requirements, overseas shipments, special project codes, etc.

22.7.2.14.2. Identify whether or not the item is an airlift investment item.

22.7.2.14.3. Identify if the item is Government Furnished Property (GFP).

22.7.2.14.4. Identify whether or not additional funds are available if required under the contract. DO NOT indicate how much additional funding is available, since the appropriate contracting function will forward this document to the contractor with the request.

22.7.2.14.5. Identify the applicable losing/gaining fund cites and amounts when diverting assets from one support category to another (e.g., FMS to USAF; USAF to FMS; WRM to POS; and so on). As required by local procedures, process associated funding documents to ensure proper accounting. (NOTE: see para 22.8 regarding diversion of assets from other than IMS stock account shipments).

22.7.3. The initiator will forward the AFMC Form 270 per local procedures to the appropriate contracting function. These local procedures will address details of how transportation and financial management coordination will be obtained. The transportation function coordination will ensure that all transportation data is correct and that the appropriate shipment modes are selected. As necessary, the transportation specialist will enter instructions on the AFMC Form 270 or on an attached document. If the request involves GFP, the appropriate contracting function will also forward a copy to the MUCO for coordination. MUCO coordination ensures that loan/bailment records are properly updated to reflect the asset's location and status.

[illegible]



**Figure 22.2. AFMC Form 270 (Continued)**

[illegible]

**22.8. Diversion of Assets.** The majority of ASIs will involve diversion of assets from IMS stock account shipments to field users. In extraordinary situations, however, it may be necessary for the PR initiator to divert assets intended and funded for one purpose to another. PR initiators may on their own authority divert assets for which they are responsible, subject to the following conditions/exceptions:

22.8.1. IMSs will request diversion of assets from Security Assistance/FMS programs to USAF and vice versa only under the most extreme circumstances. All other avenues of support must be researched and exhausted before diversion is requested. Local management controls must ensure that this option is not abused.

22.8.2. PR initiators will not divert programmed assets to support nonprogrammed requirements unless the diversion makes sense from a priority and mission support view.

22.8.3. PR initiators will not divert programmed FMS assets on contract with instructions for direct delivery.

22.8.4. PR initiators will not divert nonprogrammed direct-cite Security Assistance assets unless the losing country's approval is obtained. However, if the requirement is filled from USAF stock after contract award ASI action is permitted to replenish the USAF stock. If the SA program is terminated for that country the AFMC International Logistics Center will issue applicable instructions.

**22.9. Accelerated Delivery Requests (ADRs).** PR initiators will use AFMC Form 200, *Accelerated Delivery Request*, (Figure 22.2), to request the appropriate contracting function to renegotiate delivery of assets earlier than is specified on the contract delivery schedule. An ADR is the only means to accomplish this; under no circumstances will any PR initiator establish direct contact with contractors to change the delivery schedule.

22.9.1. The feasibility of accelerating a delivery is difficult to predict. In some cases, the contractor may be able and willing to deliver early with minimal effort and no additional charge to the Government. In other cases, the contractor may be struggling to meet the original schedule and totally incapable of accelerating it (whether willing or not). In the middle ground, some contractors may be able to accelerate the schedule if we provide additional resources and incentives through premium funding. Because ADR requests involve considerable effort by both the requiring and the contracting functions which may not result in any gain or may require additional funds, local management controls must ensure that ADRs are used only where truly warranted.

22.9.2. PR initiators will not initiate or process priority "R" PRs (see para 8.3) when they know that an accelerated delivery schedule is needed. They will use the appropriate PR priority and need date to tell the buyer that the best possible delivery schedule should be negotiated. When submitting an ADR against a recently negotiated priority "R" delivery schedule, PR initiators must document in Block 30 of the AFMC Form 200 why the need could not have been identified to the buyer prior to contract award. The contracting function will accept and process all feasible ADRs in the interest of mission support, but management will take appropriate action to ensure compliance with this paragraph.

22.9.3. Upon receipt of the ADR, the appropriate contracting function must determine if an ADR is feasible. The following factors must be considered:

22.9.3.1. whether the contractor has had sufficient time to receive the contract, establish the actual production schedule, and arrange for delivery of materials;

22.9.3.2. whether the contract has a negotiated firm delivery schedule (ADRs are usually inappropriate for contracts which don't reflect a firm delivery schedule);

22.9.3.3. whether the contract delivery schedule already reflects a best effort/premium funds position (ADRs are inappropriate for such contracts unless enough time has passed that the contractor's situation may have changed, allowing a further acceleration).

22.9.4. The PR initiator prepares an AFMC Form 200 as follows:

22.9.4.1. Block 1 (Control Number): enter the document control number assigned per local procedures.

22.9.4.2. Block 2 (Date): enter the current date.

22.9.4.3. Block 3 (Page): enter applicable numbers.

22.9.4.4. Block 4-7 (Routing): enter the buyer's name/office symbol and date forwarded in block 4. Other involved offices use blocks 5-7 for subsequent routing.

22.9.4.5. Block 8-10 (Item Identification): enter the NSN in block 8, the contractor's part number in block 9, and the noun in block 10.

22.9.4.6. Block 11-19 (Contract and Funds Data): enter the indicated information from the contract. Indicate in Block 14 whether or not premium funds are available. In most cases, the initiator should indicate "Upon Approval" in Block 14. This will cause the contracting function to notify the requestor upon determining the actual funding required, which allows the requestor to evaluate the cost of the ADR against the acceleration to be achieved.

22.9.4.7. Block 20 (Current and Requested Delivery Schedule): Enter the needed schedule, no matter how unrealistic. However, the total quantity being requested for delivery prior to the current scheduled first delivery must not exceed the total of the quantities shown in the justification. Initiators must ensure that this quantity represents the minimum essential needs of the Government for accelerated delivery.

22.9.4.8. Block 21 (Justification): Check the boxes for applicable requirement types and enter the quantities for each by priority. Attach a detailed explanation of any requirement shown as "other".

22.9.4.9. Block 22 (Shipping Instructions): Usually, an accelerated delivery will also be going somewhere other than originally designated. For such cases, the initiator must also submit an AFMC Form 270. Enter that document's control number and date in block 22.

22.9.4.10. Block 23 (Other Due-in Assets): Enter as applicable other due-in information.

22.9.4.11. Block 24-25 (Certification/Approval): The initiator certifies the need for accelerated delivery. Approval will be as designated in local procedures, at least one level above the requestor.

22.9.5. The initiator will route the ADR to the appropriate contracting function, who will negotiate a schedule to meet the requested acceleration as much as possible, and process necessary funds documents. The contracting function completes blocks 26-29 showing the results of the request, enters the initiator's name/office symbol and current date in block 7, and then forwards the completed ADR to the initiator.

22.9.6. Throughout the initiation and processing of ADRs, involved persons will handle them as emergency/urgent requirements. This may include as appropriate actions such as handcarry/walk-

through processing, electronic and telephone coordination, and so on. The initiator will retain a copy of the ADR and follow up as appropriate to ensure processing stays on track.

Figure 22.3. AFMC Form 200, Accelerated Delivery Request.

ACCELERATED DELIVERY REQUEST		1. CONTROL NUMBER		2. DATE		3. PAGE <u>  </u> OF <u>  </u>	
4. TO (DD)		5. TO (DD)		6. TO (DD)		7. TO (DD)	
DATE		DATE		DATE		DATE	
I. TO BE PREPARED BY REQUIRING ACTIVITY							
8. STOCK NUMBER		9. PART NUMBER		10. HOUR			
11. CONTRACT NUMBER		12. CALL ORDER NO.		13. TOTAL QUANTITY ORDERED		14. REMAINING AVAILABLE	
15. GELIN		16. SUBLINE		17. AWARD DATE		18. QUANTITY NOW IN	
19. CONTRACTOR'S NAME AND ADDRESS							
20. SCHEDULE DUE THIS CONTRACT (See reverse for continuation of this block)							
a. SCHEDULE YEAR							
b. SCHEDULE MONTH							
c. CURRENT SCHEDULE QUANTITY							
d. REQUESTED SCHEDULE QUANTITY							
21. JUSTIFICATION							
TYPE REQUIREMENT		BACKORDER QUANTITY		TYPE REQUIREMENT		BACKORDER QUANTITY	
		PRE DTG PRE DTG				PRE DTG PRE DTG PRE DTG	
a. <input checked="" type="checkbox"/> JCS PROJECT				e. <input checked="" type="checkbox"/> NMCS			
b. <input checked="" type="checkbox"/> READINESS ITEM				f. <input checked="" type="checkbox"/> WORKSTORAGE			
c. <input checked="" type="checkbox"/> CRITICAL ITEM				g. <input checked="" type="checkbox"/> OTHER (specify)			
d. <input checked="" type="checkbox"/> NMCS							
22. SHIPPING INSTRUCTIONS (AFMCI FORM 70) SUBMITTED FOR ABOVE BACKORDERS. REFERENCE NUMBER							
DATE							
23. OTHER CLERK INSTRUCTIONS (See reverse for continuation of this block)							
a. PM/PR/CONTRACT N		b. CALL ORDER NO.		c. GELIN		d. YR	
24. I certify that needs from all procurement/purchase orders have been considered and quantities in block 20 do not exceed minimum number requiring accelerated delivery schedules.		INITIAL OR TYPE NAME (office assignment)				25. APPROVED OFFICIAL (signature and office assignment)	
II. TO BE PREPARED BY CONTRACTING OFFICE							
26. CONTRACTOR'S BEST EFFORTS		a. YEAR		b. MONTH			
c. ACCELERATED QUANTITY							
27. CONTRACTING OFFICE (signature and office)				28. CONTRACTING OFFICE (signature)		29. DATE SIGNED	

AFMCI FORM 200, JUL 92 (EF-VI) (P&amp;FamPrq)

REPLACES AFMCI FORM 100, JAN 85 WHICH IS OBSOLETE

[illegible]

## Chapter 23

### PRS TO PLACE ORDERS OR EXERCISE OPTIONS

**23.1. General.** As discussed in Chapter 6, several types of contracts may be established which allow for placement of orders at future dates or which contain options for additional quantities or additional periods of coverage. The significant advantage of such contracts is the ability to obtain the contracted support (items or services) with minimal administrative effort and lead time.

#### **23.2. Procedures for Placing Orders.**

23.2.1. The PR initiator is responsible for knowing whether or not an ordering-type contract (a "D" contract) exists for a given requirement. When awarded, the buyer must notify the PR initiator, who must record the pertinent information on the AFMC Form 318, *Item Contracting History Record*, per Chapter 24. When "D" type contract data is properly file maintained by the contracting function in J023, the J023-FD1-E7-MFD Overhaul Repair Master List report is produced every two weeks to reflect current status of available ordering-type contracts.

23.2.2. To place a manual order, the PR initiator will prepare an AFMC Form 36 per Chapters 5 through 8 or 21 and the following instructions.

23.2.2.1. The purpose statement in block 8 must clearly identify that the PR is to place an order, identifying the contract number and contractor name and CAGE.

23.2.2.2. The item/service description may be limited to identification of the contract line item number (CLIN), NSN, part number/CAGE, noun, or other such basic identification as set forth in the contract. The description must be unambiguous.

23.2.2.3. The PR to establish the ordering-type contract is funded only for the amount of the initial order (if any). Each subsequent order must be individually funded.

23.2.3. To place an automated delivery order through J023, initiators will input a J023 request (e.g., KEYPLUS Form 267). If the "D" type contract data was properly file maintained by the contracting function, J023 will produce a Delivery Order Notice (DON). Otherwise, it will produce a new initial PR.

#### **23.3. Procedures for Exercising Funded and Unfunded Options.**

23.3.1. "Funded" options are those which invoke a delivery or performance requirement. Because these options obligate the Government to pay for the goods or services, the PR which exercises the option must be funded.

23.3.2. "Unfunded" options are those which extend the period of time during which orders may be placed against a contract and/or allow additional quantities to be ordered (e.g., orders against requirements contracts). Because the PR or delivery order notice for each order is individually funded, the option may be exercised based on simple notification from the PR initiator to the buyer.

23.3.3. Options for indefinite-delivery/indefinite quantity (ID/IQ) contracts will obligate the Government to a minimum purchase quantity. To ensure that the contractual minimum order obligations are satisfied, the exercise of these options should be accomplished by a funded PR placing the minimum

quantity on order. If this is not possible or not advisable, the IMS must ensure that the minimum quantity is ordered at some point during the contractual period to avoid Government default.

23.3.4. If the contract data was properly file maintained by the contracting function, the J041-5YA-M5-M50 Contract Options Expiration report indicates the options available for each contract. Each option has a defined period of time during which it may be exercised. If not exercised during that period, the option is lost. The PR initiator is responsible for monitoring the status of available options. The PR initiator will confirm that the requirement is still valid, and determine whether or not the contractor has performed satisfactorily to date. If so, the PR initiator will prepare a PR for funded options per chapters 5 through 8 or 21, with the following exceptions:

23.3.4.1. The purpose statement in block 8 must indicate that the PR is to exercise an option, specifically identifying the contract number and CLIN, and describing the option (e.g., "to provide 50 additional mod kits").

23.3.4.2. The item/service description may be limited to the minimum information necessary to unambiguously identify what is being placed on contract.

23.3.4.3. Cost data elements for funded options will reflect the estimated costs for the amount to be obligated by exercise of this option.

23.3.5. PR/MIPR Control will determine necessary coordination based on the nature of the option. Only activities whose input to the original PR must be revalidated will be asked to coordinate on the option PR.



## Chapter 24

### ITEM CONTRACTING HISTORY RECORD

**24.1. General.** For reference purposes, IMSs must keep a record of significant acquisition process events for their items. The AFMC Form 318, *Item Contracting History Record*, (Figure 24.1), allows a means to do this. Alternatively, IMSs may use locally developed PC databases to record this information. This alternative is subject to the following restrictions:

- 24.1.1. The database must be established using software owned or licensed by the Government and in common use at the ALC.
- 24.1.2. The database must be accessible to the IMS' supervisor and designated coworkers (to allow for use during periods of leave or other absence).
- 24.1.3. The database must be periodically backed up to guard the data from loss if the system crashes.
- 24.1.4. The database must contain all data elements listed below.

**24.2. Contracting History Data Elements.** The IMS will enter the following data elements on the AFMC Form 318 or PC database. If using the form, enter the data in pencil to allow updating.

24.2.1. Item identification information: enter as applicable the following elements.

- 24.2.1.1. NSN, or NC/ND number.
- 24.2.1.2. Noun.
- 24.2.1.3. Unit of Issue and Quantity Unit Pack.
- 24.2.1.4. ERRC.
- 24.2.1.5. Standard Price.
- 24.2.1.6. BPAC/MPC.
- 24.2.1.7. QPA, application, and next higher assembly.

24.2.2. Acquisition history information: enter the following elements as they become known. For ordering-type contracts, enter the information for the basic contract showing the total quantity which may be ordered and use the remarks to show min/max orders, frequency, etc; if there is no initial order when the contract is awarded the delivery information will be blank. Then, enter the information for each order as it is placed showing the actual delivery information.

- 24.2.2.1. PR number (block 1).
- 24.2.2.2. PR Line Item Number (block 2).
- 24.2.2.3. Quantity (block 3).
- 24.2.2.4. PR Date Initiated (block 4).
- 24.2.2.5. AMC/AMSC (block 5).
- 24.2.2.6. Design activity CAGE and Part Number of the delivered part (blocks 6 and 7).

- 24.2.2.7. Contract or Purchase Order Number, and Contractor and contractor's CAGE (blocks 8 and 9).
- 24.2.2.8. CLIN (block 10).
- 24.2.2.9. Total Contract Quantity and award date (blocks 11 and 12).
- 24.2.2.10. Unit Cost (block 13).
- 24.2.2.11. First Significant Delivery Date/Quantity (blocks 14 and 15).
- 24.2.2.12. Date Final Delivery (block 16).
- 24.2.2.13. ALT (award date minus date PR initiated) (block 17).
- 24.2.2.14. PLT (first significant delivery date minus award date) (block 18).
- 24.2.2.15. Remarks (block 19).

Figure 24.1. AFMC Form 318, Item Contracting History Record.

1. SN	2. ITEM	3. PK	4. BRC	5. STANDARD PRICE	6. PAC/MPC	7. CPA	8. PPL	9. HA
10. CONTR. DOC. NUMBER	11. INDEMPER	12. QUANTITY	13. DATE INITI	14. AMT. AWARD	15. CAGE	16. PART NO.	17. CONTRACT OR PURCHASE	18. CONTRACTOR
1.	2.	3.	4.	5.	6.	7.	8.	9.
10.	11.	12.	13.	14.	15.	16.	17.	18.
9. REMARKS								
1.	2.	3.	4.	5.	6.	7.	8.	9.
10.	11.	12.	13.	14.	15.	16.	17.	18.
9. REMARKS								
1.	2.	3.	4.	5.	6.	7.	8.	9.
10.	11.	12.	13.	14.	15.	16.	17.	18.
9. REMARKS								
REMARKS								

AFMC FORM 318, JAN 93      REPLACES AFLC FORM 318, NOV 80 WHICH IS OBSOLETE      ITEM CONTRACTING HISTORY RECORD

[illegible]

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